SUBJECT: DUAL COMPLETION (OIL-GAS)

APPLICATION OF SKELLY OIL COMPANY FOR APPROVAL OF DUAL COMPLETION OF ITS A. L. CHRISTMAS WELL NO. 1, SW/4 SW/4 SECTION 25, TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY, NEW MEXICO. ORDER NO. DC-63

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION COMMISSION

Skelly Oil Company made application to the New Mexico Oil Conservation Commission on January 13, 1954, for approval of dual completion procedure on its A. L. Christmas Well No. 1, SW/4 SW/4 Section 25, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, and

The Secretary-Director Finds:

(1) That satisfactory information has been provided that all operators of offset acreage have been duly notified.

(2) That no objections have been received within the waiting period as prescribed by said rule.

IT IS THEREFORE ORDERED:

That dual completion is hereby approved for Skelly Oil Company's A. L. Christmas Well No. 1, SW/4 SW/4 Section 25, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico, for production of gas from the Seven Rivers-Queen formation of the Eumont Gas Pool through the casing-tubing annulus, and oil from the Grayburg formation of the Eunice-Monument Oil Pool through the tubing, by proper perforations and the installation of a suitable packer;

PROVIDED, HOWEVER, That proper methods are being utilized to insure that there will be no commingling within the well-bore, either within or outside the casing, of gas, oil and gas, or oil produced from either or both of the separate strata;

PROVIDED FURTHER, That in order to verify the actual dual completion of such subject well applicant shall submit to the District Office of the Commission at Hobbs, New Mexico, copies of Oil Conservation Commission Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on those forms by existing Rules and Regulations;

PROVIDED FURTHER, That said subject well be equipped in such a way that reservoir pressures may be determined separately for each of the specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and -2-Order No. DC-63

PROVIDED FURTHER, That the operator-applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any time and in such manner as deemed necessary by the Commission; the original and all subsequent tests being witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten days after the completion of such test, and

PROVIDED FURTHER, That applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas-oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion, insofar as such figures may be available at this date

IT IS FURTHER ORDERED:

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or the protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

APPROVED at Santa Fe, New Mexico, on this 1st day of February, 1954.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

R. R. SPURRIER, Secretary-Director

SEAL