

Entered December 4, 1958
A.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 1553
Order No. R-1293

APPLICATION OF THE TEXAS COMPANY
FOR AN OIL-GAS DUAL COMPLETION
AND FOR PERMISSION TO COMMINGLE
THE LIQUID HYDROCARBON PRODUCTION
FROM TWO SEPARATE POOLS, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 19, 1958, at Santa Fe, New Mexico, before Elvis A. Utz Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 26th day of November, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, The Texas Company, is the owner and operator of the Peery-Federal lease comprising all of Section 29, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico, on which lease is located applicant's Peery-Federal (NCT-1) Well No. 1, situated 1980 feet from the North line and 1980 feet from the East line of said Section 29.
- (3) That the applicant proposes to dually complete the above-described Peery-Federal (NCT-1) Well No. 1 in such a manner as to permit the production of oil from an undesignated Devonian oil pool and the production of gas from an undesignated Ellenburger gas pool through parallel strings of 2-1/16 inch Hydril tubing.
- (4) That the applicant further proposes to commingle the liquid hydrocarbon production from the Devonian and Ellenburger

formations from all existing and future wells on the above-described Peery-Federal lease after the production from each of said zones has been separately measured.

(5) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(6) That approval of the subject application will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, The Texas Company, be and the same is hereby authorized to dually complete its Peery-Federal (NCT-1) Well No. 1, located 1980 feet from the North line and 1980 feet from the East line of Section 29, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico, in such a manner as to permit the production of oil from an undesignated Devonian oil pool and the production of gas from an undesignated Ellenburger gas pool through parallel strings of 2-1/16 inch Hydril tubing.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Devonian Oil Pool.

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 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.

(2) That the applicant, The Texas Company, be and the same is hereby authorized to commingle the production from the Devonian and Ellenburger formations from all existing and future wells on its Peery-Federal lease, consisting of all of Section 29, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico, provided that the production from each of said zones is separately measured prior to commingling.

PROVIDED FURTHER, That the applicant shall check said meters for accuracy at intervals and in a manner satisfactory to

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the Commission.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



A. L. PORTER, Jr., Member & Secretary

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