Enter March 15, 1914 a.s.A.

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. 5174 Order No. R-2909-B

APPLICATION OF GULF OIL CORPORATION FOR THREE DUAL COMPLETIONS, LEA COUNTY, NEW MEXICO.

## ORDER OF THE COMMISSION

## BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 27, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Gulf Oil Corporation, seeks to complete certain of its wells in its Central Drinkard Unit, all in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, as dual completions as follows: its H. T. Mattern (NCT-B) Well No. 8, located in Unit I of Section 30, to produce oil from the Blinebry formation and to inject water into the Drinkard formation through parallel strings of tubing; its W. T. McCormack Well No. 13, located in Unit A of Section 32, to produce gas from the Tubb formation and to inject water into the Drinkard formation through parallel strings of tubing; and its J. N. Carson (NCT-A) Well No. 4, located in Unit O of Section 28, to produce gas from the Blinebry formation through the casing-tubing annulus and to inject water into the Drinkard formation through tubing.

(3) That the applicant further seeks a procedure whereby the subject waterflood project may be expanded by the dual completion of additional wells within the project area without the necessity for notice and hearing. -2-Case No. 5174 Order No. R-2909-B

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

(5) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(6) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to complete the three wells described below, all located in Township 21 South, Range 37 East, NMPM, Central Drinkard Unit, as dual producing and injection wells in the following manner: its H. T. Mattern (NCT-B) Well No. 8, located in Unit I of Section 30, to produce oil from the Blinebry formation and to inject water into the Drinkard formation through parallel strings of tubing; its W. T. McCormack Well No. 13, located in Unit A of Section 32, to produce gas from the Tubb formation and to inject water into the Drinkard formation through parallel strings of tubing; and its J. N. Carson (NCT-A) Well No. 4, located in Unit O of Section 28, to produce gas from the Blinebry formation through the casingtubing annulus and to inject water into the Drinkard formation through tubing.

(2) That the applicant shall complete, operate and produce said wells in accordance with the provisions of Rules 112-A, 701, 702, and 703 of the Commission Rules and Regulations insofar as said rules are not inconsistent with the provisions of this order.

(3) That injection into the subject wells shall be through internally plastic-lined tubing set in a packer which shall be located as near as practicable to the casing shoe.

(4) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(5) The applicant shall take such tests as may be practicable to detect leakage in the casing, tubing, or packer

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upon completion and annually thereafter during the annual Gas-Liquid Ratio Test for the Blinebry oil and gas pool or the Tubb gas pool, whichever is applicable.

(6) That Order (2) of Commission Order 2909, entered May 10, 1965, is hereby amended to read in its entirety as follows:

"That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

"PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the subject waterflood project to include such additional injection wells in the area of said project as may be necessary to complete an efficient injection pattern; that said wells may be approved as dual completions for injection into the Drinkard pool and production from the Blinebry Oil and gas pool or the Tubb gas pool."

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member PORTER, Jr., Member & Secretary

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