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

> CASE No. 3431 Order No. R-3100

APPLICATION OF SINCLAIR OIL & GAS COMPANY FOR A DUAL COMPLETION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 19, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>5th</u> day of August, 1966, 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, Sinclair Oil & Gas Company, seeks, as an exception to Rule 112-A of the Commission Rules and Regulations, temporary authority to complete its W. H. Turner Well No. 1, located in Unit L of Section 29, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion to produce oil from the Drinkard Oil Pool through 2 3/8-inch tubing and to produce oil from the Blinebry Oil Pool through the casingtubing annulus, with separation of zones by a packer set at approximately 6540 feet.

(3) That the subject well was projected as a gas well in the Blinebry zone and an oil well in the Drinkard zone.

(4) That the Special Rules and Regulations governing the Blinebry Oil Pool require said well to be classified as an oil well in the Blinebry Oil Pool. -2-CASE No. 3431 Order No. R-3100

(5) That production tests, over a 25-day period, show an increase in the gas-oil ratio from 8782 cubic feet of gas per barrel of liquid hydrocarbons to 15,789 cubic feet of gas per barrel of liquid hydrocarbons indicating the subject well may soon be classified as a gas well in the Blinebry Gas Pool.

(6) That it is not feasible to install another string of tubing within the 5-inch casing in the subject well.

(7) That the peculiar reservoir characteristics of the Blinebry Oil Pool adjacent to the subject well-bore are such as to make the proposed dual completion feasible and in accord with good conservation practices.

(8) That the applicant should be allowed to complete its W. H. Turner Well No. 1 to produce oil from the Drinkard Oil Pool through 2 3/8-inch tubing and to produce oil from the Blinebry Oil Pool through the casing-tubing annulus until the upper completion of said well has been re-classified as a gas well in the Blinebry Gas Pool, or one year, whichever comes first, during which time additional gas-oil ratio tests should be conducted to determine the subject well's proper classification as an oil well or a gas well.

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

IT IS THEREFORE ORDERED:

That the applicant, Sinclair Oil & Gas Company, is hereby granted an exception to Rule 112-A of the Commission Rules and Regulations to complete its W. H. Turner Well No. 1, located in Unit L of Section 29, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion to produce oil from the Drinkard Oil Pool through 2 3/8-inch tubing and to produce oil from the Blinebry Oil Pool through the casing-tubing annulus, with separation of zones by a packer set at approximately 6540 feet, for a period of one year, or until the upper completion of said well has been re-classified as a gas well in the Blinebry Gas Pool, whichever comes first;

<u>PROVIDED HOWEVER</u>, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order; -3-CASE No. 3431 Order No. R-3100

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

IT IS FURTHER ORDERED:

(1) That if the upper completion of the subject well is still classified as an oil well in the Blinebry Oil Pool, this cause shall be reopened at an examiner hearing in August, 1967, at which time the operator of said well may appear and show cause why said well should not be completed in accordance with Rule 112-A of the Commission Rules and Regulations.

(2) That Administrative Order MC-1713, which authorized the dual completion of the subject well to produce gas from the Blinebry Gas Pool and oil from the Drinkard Oil Pool through the casingtubing annulus and through 2 3/8-inch tubing, respectively, is hereby suspended for as long as this order remains in effect.

(3) 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 SIL CONSERVATION COMMISSION JACK M. CAMPBELL, Chairman

B. B. HAYS, Memb ani

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

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