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

> CASE NO. 533 Order No. R-329

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THE APPLICATION OF THE COMMISSION ON ITS OWN MOTION FOR AN ORDER REVISING RULE 302 OF THE RULES AND REGULATIONS, AND PROVIDING FOR THE ADOPTION OF FORM C-124 AND RULE 1123 PERTAINING TO THE FILING OF RESULTS OF BOTTOM-HOLE PRESSURE TESTS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 19, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 10th day of June, 1953, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, 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 there is need for revision and enlargement of Rule 302 of the Commission's Rules and Regulations setting forth procedures for the taking and reporting of bottom-hole pressure tests.

(3) That the use of Form C-103 in reporting bottom-hole pressure surveys, as currently stipulated by Commission rules, is inadequate, and that a new form providing for more detailed reporting of such tests should be furnished by the Commission for use of operators.

IT IS THEREFORE ORDERED:

(1) That the application of the Oil Conservation Commission be, and the same hereby is approved, as set forth below.

(2) That Section 'E' (Oil Production Operating Practices) of the Commission's Rules and Regulations be altered in order that Rule 302 may read as follows:

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RULE 302:

The operator shall make a subsurface pressure test on the discovery well of any new pool hereafter discovered, and shall report the results thereof to the Commission within 30 days after the completion of such discovery well. On or before December 1st of each calendar year the Commission shall designate the months in which subsurface pressure tests shall be taken in designated pools. Included in the designated list shall be listed the required Shut-In Pressure time and datum of tests to be taken in each pool. In the event a newly discovered pool is not included in the Commission's list the Commission shall issue a supplementary Bottom Hole Pressure Schedule. Tests as designated by the Commission shall only apply to flowing wells in each pool. This test shall be made by a person qualified by both training and experience to make such test, and with an approved subsurface pressure instrument which shall have been calibrated both prior and subsequent to such test against an approved dead-weight tester. Provided the prior and subsequent calibrations agree within one percent, the accuracy of the instrument shall be considered acceptable. Unless otherwise designated by the Commission all wells shall remain completely shut in for at least 24 hours prior to the test. In the event a definite datum is not established by the Commission the subsurface determination shall be obtained as close as possible to the mid-point of the productive sand of the reservoir. The report shall be on Form C-124 and shall state the name of the pool, the pool datum (if established), the name of the operator and lease, the well number, the wellhead elevation above sea level, the date of the test, the total time the well was shut in prior to the test, the subsurface temperature in degrees Fahrenheit at the test depth, the depth in feet at which the subsurface pressure test was made, the observed pressure in pounds per square inch gauge (corrected for calibration and temperature), the corrected pressure computed from applying to the observed pressure the appropriate correction for difference in test depth and reservoir datum plane and any other information as required by Form C-124.

(3) That Section 'M' (Reports) of the Commission's Rules and Regulations be extended to include a new Rule 1123 providing for Form C-124, said rule to read as follows:

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> RULE 1123: BOTTOM-HOLE PRESSURE TESTS (Form C-124 Form-C-124 shall be submitted in triplicate to the Oil Conservation Commission, Santa Fe, New Mexico, and shall be used to report bottom-hole pressures as required under the provisions of Rule 302.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

R. R. SPURRIER, Secretary

SEAL