

Entered October 17, 1970

A.H.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. 4420
Order No. R-4040
NOMENCLATURE

APPLICATION OF XPLOR COMPANY FOR THE
CREATION OF A NEW GAS POOL AND SPECIAL
RULES THEREFOR, A DUAL COMPLETION, AND
AUTHORITY TO COMMINGLE, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 30, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of October, 1970, 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, Stoltz, Wagner & Brown, formerly known as Xplor Company, seeks the creation of a new gas pool for Pennsylvanian production in Lea County, New Mexico, and the promulgation of special rules and regulations governing said pool, including a provision for 160-acre spacing units.

(3) That in the alternative to the provision for 160-acre spacing, the applicant seeks approval of a non-standard 160-acre gas proration unit comprising the NE/4 of Section 23, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico, to be dedicated to its Cleveland Well No. 1 located in Unit G of said Section 23.

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(4) That the applicant further seeks approval for the dual completion (conventional) of said well in such a manner as to produce oil from the East Caprock-Devonian Pool through tubing and gas from the aforesaid Pennsylvanian gas pool through the casing-tubing annulus and to commingle on the surface the liquids from said zones without separately metering said liquids prior to commingling.

(5) That the above-described Cleveland Well No. 1 has discovered a separate common source of supply which should be designated the East Caprock-Cisco Gas Pool; that the vertical limits of said pool should be the Cisco zone of the Pennsylvanian formation as found in the interval from 9320 feet to 9425 feet on the log of the aforesaid well; and that the horizontal limits of said pool should be the NE/4 of Section 23, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico.

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

(7) That the ownership of the two productive zones in the subject well is not identical, and the proposed commingling on the surface of the liquid hydrocarbons from the two zones without separately metering said production prior to commingling will not adequately protect the rights of all interest owners in the subject well and should not be permitted.

(8) That commingling of the liquid hydrocarbons from the two zones after separately metering the production from each will protect all interest owners and should be permitted.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Cisco production, is hereby created and designated the East Caprock-Cisco Gas Pool, with vertical limits comprising the Cisco zone of the Pennsylvanian formation as found in the interval from 9320 feet to 9425 feet on the log of the Stoltz, Wagner & Brown Cleveland Well No. 1, located in Unit G of Section 23, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico, and horizontal limits as follows:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 23: NE/4

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(2) That the aforesaid East Caprock-Cisco Gas Pool shall be governed by the acreage and well location requirements for 160-acre pools of Rule 104 C II (a) of the Commission Rules and Regulations.

(3) That the applicant is hereby authorized to complete the above-described Cleveland Well No. 1 as a dual completion (conventional) to produce gas from the East Caprock-Cisco Gas Pool through the casing-tubing annulus and oil from the East Caprock-Devonian Pool through tubing, with separation of zones by a packer set at approximately 10,800 feet;

PROVIDED HOWEVER, 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;

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 East Caprock-Devonian Pool.

(4) That the applicant is hereby authorized to commingle the liquid hydrocarbons from the East Caprock-Cisco Gas Pool and the East Caprock-Devonian Pool after separately metering said liquid hydrocarbons;

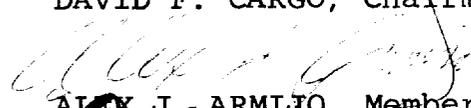
PROVIDED HOWEVER, that said installation shall be operated in accordance with the provisions of the Commission's "Manual for the Installation and Operation of Commingling Facilities."

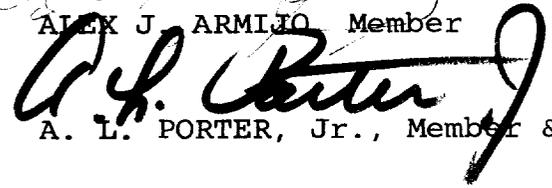
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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

S E A L

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