Entered June 29, 191) all.

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. 4978 Order No. R-4582

APPLICATION OF ADOBE OIL COMPANY FOR A DUAL COMPLETION AND NON-STANDARD GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 23, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 29th day of <u>June</u>, 1973, 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, Adobe Oil Company, seeks authority to complete its Smith Federal Well No. 2 at a non-standard location at a point 660 feet from the South line and 330 feet from the East line of Section 11, Township 23 South, Range 24 East, NMPM, Rock Tank Gas Field, Eddy County, New Mexico, as a dual completion (conventional) to produce gas from an undesignated Atoka gas pool through the casing-tubing annulus and from the Rock Tank-Upper Morrow gas pool through a string of 2 7/8inch tubing with separation of the zones by a packer set at approximately 10,100 feet.

(3) That the evidence introduced at the hearing establishes that the proposed dual completion would be in the Rock Tank-Upper Morrow Gas Pool and the Rock Tank-Lower Morrow Gas Pool and not in an undesignated Atoka gas pool.

(4) That Order No. R-4456 approved an application by Adobe Oil Company for an unorthodox location in the Rock Tank-Upper Morrow and the Rock Tank-Lower Morrow Gas Pools 660 feet from the South line and 330 feet from the East line of Section 11, Township 23 South, Range 24 East, NMPM, Eddy County, New Mexico. -2-Case No. 4978 Order No. R-4582

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

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Adobe Oil Company, is hereby authorized to complete its Smith Federal Well No. 2 at a nonstandard location at a point 660 feet from the South line and 330 feet from the East line of Section 11, Township 23 South, Range 24 East, NMPM, Rock Tank Gas Field, Eddy County, New Mexico, said location having previously been approved by Order No. R-4456, as a dual completion (conventional) to produce gas from the Rock Tank-Upper Morrow Gas Pool through the casingtubing annulus and the Rock Tank-Lower Morrow Gas Pool through 2 7/8-inch tubing with separation of the zones by a packer set at approximately 10,100 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 packerleakage tests upon completion and annually thereafter during the Annual Shut-in Pressure Test Period for the Rock Tank-Lower Morrow Gas Pool.

(2) 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

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I. R. TRUJILLO, Chairman

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

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