

Entered January 24, 1978  
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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. 6127  
Order No. R-5628

APPLICATION OF SOUTHLAND ROYALTY  
COMPANY FOR A DUAL COMPLETION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 18, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of January, 1978, 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, Southland Royalty Company, seeks authority to complete its Aztec Palmillo State Com Well No. 1, located in Unit G of Section 32, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce oil from the Wolfcamp formation through 2 3/8-inch tubing and gas from the Morrow formation through 2 3/8-inch tubing and the casing-tubing annulus with separation of the zones achieved by means of packers.
- (3) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.
- (4) That the Secretary-Director of the Commission should rescind the approval for dual completion herein granted whenever it should appear that such rescission is necessary to prevent waste.
- (5) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Southland Royalty Company, is hereby authorized to complete its Aztec Palmillo State Com Well No. 1, located in Unit G of Section 32, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, as a dual completion (conventional) to produce oil from the Wolfcamp formation through 2 3/8-inch tubing and gas from the Morrow formation through 2 3/8-inch tubing to approximately 8550 feet and thence, by means of a crossover assembly, to the surface through the casing-tubing annulus with separation of the zones by means of packers set at approximately 8550 feet and 10,650 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;

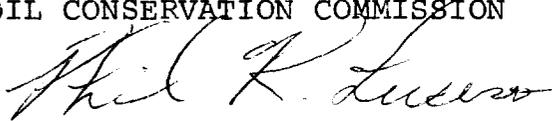
PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for gas wells in Southeast New Mexico.

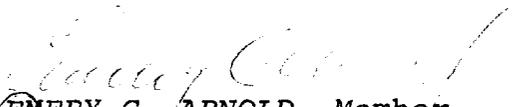
(2) That the Secretary-Director of the Commission may rescind the authority for dual completion herein granted if such rescission appears necessary to prevent waste.

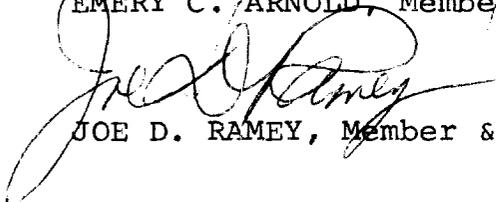
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

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