Entered June 26, 1929

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 6569 Order No. R-6041

APPLICATION OF CONTINENTAL OIL COMPANY FOR A DUAL COMPLETION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 13, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>26th</u> day of June, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, seeks authority to complete its Lockhart A-17 Well No. 2, located in Unit I of Section 17, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce gas from the Eumont Gas Pool through the casing-tubing annulus and oil from the Blinebry Oil and Gas Pool through 2 3/8-inch tubing.

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

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to complete its Lockhart A-17 Well No. 2, located in Unit I of Section 17, Township 21 South, Range 37 East, NMPM,

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Lea County, New Mexico, as a dual completion (conventional) to produce gas from the Eumont Gas Pool through the casingtubing annulus and oil from the Blinebry Oil and Gas Pool through 2 3/8-inch tubing with separation of the zones to be achieved by means of a packer set at approximately 5500 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division 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-Liquid Ratio Test Period for the Blinebry Oil and Gas Pool.

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

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

STATE OF NEW MEXICO DIL CONSERVATION DIVISION And JOE D. RAMEY Director

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