

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF :  
GULF OIL CORPORATION for the issuance :  
of a Special Order permitting the produc- :  
tion of more than one horizon through a :  
single well bore in the Hobbs Pool, Lea :  
County, New Mexico. :

A P P L I C A T I O N

COMES NOW THE GULF OIL CORPORATION, hereinafter called the applicant, and shows to the Honorable Oil Conservation Commission of the State of New Mexico that:

1. Gulf Oil Corporation is incorporated in the State of Pennsylvania and is duly authorized to do business in the State of New Mexico.

2. Gulf Oil Corporation is actively engaged in the exploration, development and production of oil and gas in the State of New Mexico, and that Gulf Oil Corporation is one of the larger producers of crude oil in that state.

3. Gulf Oil Corporation at present owns and operates five producing leases, consisting of 1120 surface acres, within or adjacent to the Hobbs Pool. Said properties include 23 wells, 22 of which produce oil and gas from the San Andres lime and one well produces gas, used for lease purposes, from the Byers sand.

4. There is no provision in existing general rules or orders governing the production from more than one horizon through a single well bore except Order No. 4, Rule No. 6, which is quoted as follows: "Before any oil or gas well is completed as a producers, all oil, gas and water strata above the producing horizon shall be sealed or separated, in order to prevent their contents from passing into other strata".

5. Developments in drilling and completion practice over the past several years have proven the feasibility of producing, without comingling, more than one horizon through a single well bore. With increased drilling depths and greater drilling costs, such multiple completion practice provides, in many areas, a means for more economical drilling and completing, and in some cases will undoubtedly permit the exploitation of horizons which could not or probably would

not otherwise be produced or explored, thereby increasing economic recovery.

6. The occurrence of producing strata above the major producing horizon has been proven by recent completions in the Hobbs Pool. The occurrence of deeper pays is also a definite possibility. In the opinion of the applicant the production of more than one horizon through a single well bore will greatly facilitate the economic exploitation and recovery of the various known and probable pay zones, and would be a conservation measure and in the public interest. It is further considered that such completion practice should be controlled in order to protect correlative rights. The following measures are suggested as being reasonable and adequate:

(a) There shall be no comingling of oil from different horizons, within a single well bore, except as specifically authorized by the Commission. Where such comingling is authorized, the maximum allowable shall be the same as that of non-marginal individual wells producing from the highest horizon. Except where comingling is specifically authorized, wells shall be maintained and operated at all times in such manner as to prevent subsurface comingling of fluids from the separate horizons and that the Director be authorized to require such tests as he may deem necessary to assure segregation.

(b) Applications for completion in more than one horizon shall show the name and location of the producing horizons, casing plan, location of packer or packers, location of perforations, proposed method of production and any other pertinent data. Not more than one horizon shall be produced from uncased hole.

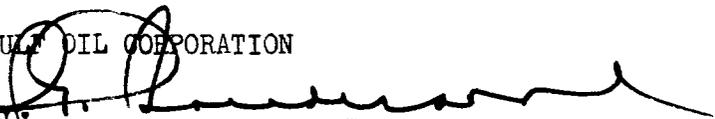
(c) Completion record (Form C-105) shall show all details of the completion including name and depth of each producing horizon, casing records, depth of perforations, type of packer or packers and depth set, method of producing each horizon, initial production from each horizon and all other pertinent data.

(d) Each producing horizon of a well producing from more than one horizon shall be subject, in so far as applicable, to all general rules and regulations applying to individual wells producing from only one horizon.

Wherefore your applicant prays that this Honorable Commission promulgate a special order applicable to the Hobbs Pool that will permit the production of more than one horizon through a single well bore.

Respectfully submitted,

GULF OIL CORPORATION

By   
S. G. Sanderson  
Manager of Production

Dec. 16, 1946