

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION OF THE STATE
OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. ~~788~~ 155
ORDER NO. 788 792

* THE APPLICATION OF THE NEW MEXICO OIL
CONSERVATION COMMISSION, UPON ITS OWN MOTION,
TO PROMULGATE AND ADOPT AN ORDER WHICH WILL
CLARIFY PRESENT EXISTING REGULATIONS, AS
PERTAINING TO THE TRANSPORTATION OF CRUDE
PETROLEUM WITHIN THE BOUNDARIES OF THE STATE
OF NEW MEXICO, AND TO FACILITATE THE PURCHASING,
TRANSPORTATION, AND HANDLING OF CRUDE PETROLEUM
BY THE VARIOUS PIPE LINE COMPANIES AND TRANSPORTERS
WITHIN THE STATE OF NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock A.M. June 15, 1948, at
Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, herein-
after referred to as the "Commission."

This is the order for case 155
NOW, on this 21st day of September, 1948, the Commission having before it for
consideration the testimony adduced at the hearing of said case, and being fully
advised in the premises;

FINDS:

That clarification of Order No. 52 of February 1, 1937 as amended by Order No.
72 effective August 1, 1937, being known as the "Special Rules and Regulations For
The Lea County Fields", and heretofore published in Oil Commission Circular 6,
Division 2 thereof.

That clarification of that rule would result in more orderly disposition of
crude petroleum and remove uncertainties in the dealings between producer and
purchaser.

IT IS THEREFORE ORDERED:

That Order No. 52 of February 1, 1937, as amended by Order No. 72 of August 8,
1937 published as Division 2 of the Oil Conservation Commission Circular 6 and known
as the "Special Rules and Regulations For The Lea County Fields, New Mexico", be, and
the same hereby is amended so as to read as follows:

SPECIAL RULES AND REGULATIONS FOR THE LEA COUNTY FIELDS, NEW MEXICO

Explanation

The special rules and regulations for the Lea County fields, New Mexico were
adopted by the Commission December 30, 1936, and became effective February 1, 1937.
They include the rules and regulations of the Commission in Circular No. 2, "Special
Rules and Regulations for the Hobbs, Jal, Cooper and Monument Fields, New Mexico",
that have been retained by the Commission. Modifications and additions have been

made, and these special rules and regulations now apply to the Lea County fields, with the exception of the part of the Maljamar Field that is in Lea County.

General rules and Regulations

The general rules and regulations of the New Mexico Oil Conservation Commission established by Order No. 4 and published in Division I of Circular No. 6, "Oil and Gas Conservation Law and General Rules and Regulations for the Conservation of Oil and Gas in New Mexico", shall apply to all present and all future wells in the Lea County fields, except as such rules and regulations are modified or amplified herein to meet the special conditions in the various Lea County fields and to control and prevent waste in those fields.

1. Scope of Special Field Rules

The special rules and regulations for the Hobbs Field contained herein shall be limited in their application to the present 4200-foot productive horizon, and for the other Lea County fields to the horizons now producing.

2. Deviation Tests

When the deviation from vertical in any 500-foot interval averages more than 5 degrees the hole shall be straightened.

Stratigraphic Markers in the Hobbs Field

The average depths at which the various stratigraphic markers in the Hobbs pool may be expected are as follows:

	Fect
Potable Water	90
Top of Anhydrite	1550
Top of Salt	1700
Base of Salt	2650
Top of Brown Lime	2775
"Bowers" Sand	3200
"Big Gas" Sand	3700
"Sandy Dolomite"	3975
"White Crystalline Lime"	4025

3. Casing and Cementing Programs for the Hobbs Field

Casing programs for the Hobbs pool shall consist of (A) a surface casing string, (B) an intermediate casing string, except as hereinafter provided, and (C) a production casing string.

A. Surface Casing String.

In order to protect the fresh water supply, the surface casing string shall be set at least 10 feet into the "RED BED" Section and cemented back to the bottom of the cellar.

B. Intermediate Casing String.

The intermediate casing string, if required, may consist of either (1) a short string, or (2) a long string, at the option of the operator.

1. The short string, if used, shall be set in the Rustler formation above the top of the main salt and shall be cemented with 150 per cent of the calculated amount of cement to fill back to the bottom of the cellar.

2. The long string, if used, shall be set at least 100 feet below the base of the salt and cemented with 150 per cent of the calculated amount to fill back to the bottom of the cellar.

The intermediate string may be dispensed with only by special permission of the Commission, in wells where the "Brown Lime", "Bowers Sand" and "Big Gas" horizons have, by adequate and satisfactory proof, been found to contain neither oil or gas.

C. Production Casing String.

The production string shall be set and cemented below the top of the "Sandy Dolomite". Where a short intermediate string is used, the production string shall be cemented with 150 per cent of the calculated cement to bring it to the base of the salt. Where a long intermediate casing string is used, the production string shall be cemented with 150 per cent of the calculated amount to fill back to above the top of "Bowers Sand".

Where no intermediate string is used the production string shall be cemented with 150 per cent of the calculated amount required to fill back to bottom of cellar.

Casing and Cementing Programs for Lea County Fields, Except the Hobbs Field

Casing programs for the Lea County Fields, except Hobbs, shall consist of: (A) a surface casing string, (B) an intermediate casing string, and (C) a production casing string.

A. Surface Casing String.

The surface casing string shall consist of (1) a string of sufficient length to shut off all potable surface waters, which shall be carried at least 15 feet into the "Red Beds", and which shall be cemented to the surface; or (2) a conductor of one to three joints of casing which shall either be pulled or cemented to the surface.

B. Intermediate Casing String.

Inside of the surface casing string (1) a short intermediate string of casing shall be set in the top of the main salt, or (2) a long intermediate string shall be set through the salt as follows:

1. A short string shall be set in the top of the main salt and below the Rustler formation. At the Eunice and Monument fields this string may be set in the Rustler anhydrite. If the surface casing string has been carried 15 feet into the "Red Beds", this intermediate string shall be cemented with 200 per cent of the calculated amount to bring the cement to the bottom of the surface casing string. If the surface casing string consists only of a conductor of one to three joints, this intermediate string shall be cemented to the surface. If the cement fails to reach the surface, the intermediate string shall be perforated just above the top of the cement and an additional cement job done which shall bring the cement to the surface.

2. A long string of casing shall be run through the salt and at least 25 feet below it. This string shall be cemented with a two-stage cement job. The lower stage shall be cemented with at least that amount of cement which theoretically would bring the cement 200 feet above the casing shoe. The upper stage shall be cemented from the top of the salt and just below the Rustler formation with 200 per cent of the calculated amount to bring the cement to the bottom of the surface casing string. If the surface casing string consists only of a conductor of one to three joints, this upper stage shall cement the string to the surface. If the cement fails to reach the surface, the intermediate string shall be perforated just above the top of the cement, and an additional cement job done which shall bring the cement to the surface.

If desired, where the surface casing string has been set in the "Red Beds", the long string through the salt may be cemented with a one-stage job, using 150

per cent of the calculated amount to bring the cement 200 feet above the top of the salt. If the surface casing string consists of a conductor of one to three joints the long intermediate string, when cemented with a one-stage job, shall be cemented to the surface. If the cement does not reach the surface, the pipe shall be perforated just above the top of the cement and an additional cement job done that shall bring it to the surface.

C. Production Casing String.

The production string of casing shall be set either on the top of or within the producing zone. It may be perforated if necessary. The production string shall be cemented as follows:

1. If the intermediate string is set at the top of the salt, the production string shall be cemented with 150 per cent of the amount calculated to bring the cement to the base of the salt. Mud shall be circulated ahead of the cement.

2. If the intermediate string is set through the salt, the production casing string shall be cemented with 150 per cent of the calculated amount to bring the cement to the bottom of the next larger intermediate string.

4. Special Casing Programs.

At wells where the above regulations are not applicable because of exceptional conditions, the Commission may approve special casing programs upon request and provided adequate proof is submitted to justify such special programs and to assure the prevention of waste.

5. Casing Tests for All Fields.

The surface casing string shall be tested after drilling plug by bailing the hole dry. The hole shall remain dry for one hour to constitute satisfactory proof of a water shut-off. The surface casing shall stand cemented for at least 36 hours before drilling plug. The conductor string of one to three joints need not be tested after cementing.

The intermediate string shall stand cemented not less than 48 hours before testing pipe and cement. Tests of pipe and cement shall consist of building up a pressure of 1,000 pounds, closing valves, and allowing to stand 30 minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory. This test shall be made both before and after drilling plug.

The production string shall stand cemented not less than 48 hours before testing casing. This test shall be made by building up a pressure of 1,000 pounds, closing valves, and allowing to stand 30 minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory.

All cementing shall be done by the pump and plug method, except that this method shall be optional for a conductor of one to three joints.

Bailing tests may be used on all casing and cement tests and drill stem tests may be used on cement tests, in lieu of pressure tests. In making bailing tests, the well shall be bailed dry and remain approximately dry for 30 minutes.

If any string of casing fails while being tested by pressure or by bailing tests herein required, it shall be recemented and retested, or an additional string of casing shall be run and cemented. If an additional string is used, the same tests shall be made as outlined for the original string. In submitting Form C-101, "Notice of Intention to Drill", the number of sacks of cement to be used on each string of casing shall be stated.

6. Tubing

All flowing wells shall be tubed. The tubing shall be set as near the bottom as practicable, but in no case shall tubing perforations be more than 250 feet from bottom. The bottom of the tubing shall be restricted to an opening of less than one inch or bull-plugged in order to prevent the loss of pressure bombs or other devices.

7. Special Equipment

Meter settings of adequate size to measure efficiently the gas shall be installed on the gas vent line of every flowing well.

Well-head equipment shall be installed and maintained in first-class condition so that static bottom hole pressures may be obtained at any time by a duly authorized agent of the Commission. Valves shall be installed so that pressures may be readily obtained on both casing and tubing.

8. Safety Requirements

Blow-out preventers shall be installed on the intermediate string and oil string of casing prior to drilling plugs, and shall be tested against pump pressure at least once every 24-hour period while drilling is in progress.

All connections subject to well pressure and all well-head fittings shall be of first-class material, rated at 1500 pounds working pressure and maintained in gas-tight condition. Bradenheads rated at 1500 pounds working pressure shall be installed on all intermediate and oil casing strings, and Bradenhead connections maintained in gas-tight condition. There shall be at least one valve on each Bradenhead.

While drilling wells in under pressure, an oil circulation pit or tanks shall be maintained at least 60 feet from the well.

Drilling boilers shall not be set closer than 200 feet to any well or tank battery. All electrical equipment shall be in first-class condition and properly installed.

Burning pits shall not be located closer than 200 feet from any stock tank or battery, or drilling or producing well.

9. Bradenhead Gas

Bradenhead gas shall not be used either directly or expansively in engines, pumps or torches or otherwise wasted. It may be used for lease and development purposes, and for the development of nearby leases, except as prohibited above.

Wells shall not be completed as Bradenhead gas wells unless special permission is obtained from the Commission.

10. Gas Lift

Gas lift shall be used in regular production practice only after application to and approval by the Commission.

11. Chemical Treatment of Wells

The portions of Rule 7, "Shooting and Chemical Treating of Wells", and Rule 24, "Notice of Intention to Shoot or Chemically Treat Wells", (Form C-102) of the general rules and regulations which relate to obtaining the permission of the Commission to chemically treat wells, shall not be required in the Lea County fields.

12 Method of Producing Flowing Wells

"The owner or operator of any producing units shall not produce from any unit during any calendar month any more oil than the allowable production for such unit as shown by the proration schedule, provided, however, that such owners or operators shall be permitted to balance the production for each unit during the calendar month, provided, further, that the amount of oil which such owner or operator shall be permitted to produce from any unit on any one day in order to balance the production within the calendar month as herein provided, shall not exceed the allowable production for such unit for each day by more than 25 percent of such allowable. In no event shall any unit be produced in any manner or in such amount as to result in the production in any one day from any unit of an amount in excess of 125 percent of the daily allowable."

13, Central Tank Batteries

At the option of the operator a central tank battery may be used to receive the production of two to not more than five units of the same basic lease. Exceptions to be made at the discretion of the Commission. Such central tank battery shall include adequate tankage and other equipment so that the production from each well can be accurately determined at reasonable intervals.

14. Eunice-Monument Fields Division Line

That the matter of the division line between the Eunice-Monument fields be as follows:

The southern boundary of the Monument field shall be the northern boundary of Eunice field, the division line between the two fields shall be: an east-west line running one-quarter mile south of the north line of the following sections: Section 23 and 24, Township 20-South, Range 36-East, N.M.P.M and Sections 19, 20, 21 and 22, Township 20-South, Range 37-East, N.M.P.M.

15. Unit For Proration Purposes in All Lea County Fields

That the unit for proration purposes in all Lea County fields shall be the legal subdivision of 40 acres more or less, or lot of 40 acres more or less, as defined and determined by the official plats of the United States Government surveys.

All prior orders or portions thereof insofar as they are in conflict with the unit for proration provided for herein, shall be revoked as of the effective date provided for hereinbelow.

This order shall become effective on the 1st day of the proration month next succeeding the month in which said order is adopted.

AND IT IS FURTHER ORDERED: That this case remain open on the docket for such further changes or corrections in the Lea County rules as may be proper.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

(SEAL)

/s/ John E. Miles, Member

LEA COUNTY OPERATORS COMMITTEE
Hobbs, New Mexico
November 5, 1948

/s/ R. R. Spurrier, Secretary

Study file copy

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 90

ORDER NO. 698

THE APPLICATION OF STANOLIND OIL
AND GAS COMPANY FOR MODIFICATION OF
THE RULES AND REGULATIONS OF THE
COMMISSION WITH RESPECT TO THE PERIODS
PRESCRIBED FOR WAITING ON CEMENT IN
CONNECTION WITH THE CEMENTING OF
CASING.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M. January 10, 1947 at Santa Fe, New Mexico before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 8 day of April, 1947, the Commission having before it for consideration the testimony adduced at the hearing of said case, and being fully advised in the premises;

IT IS THEREFORE ORDERED THAT:

SECTION 1. That part of Order 52 (Lea County Rules), captioned "Casing Tests for all Fields" be and the same is hereby amended to read as follows:

The surface casing string shall be tested after drilling plug by bailing the hole dry. The hole shall remain dry for one hour to constitute satisfactory proof of a water shut-off. The surface casing shall stand cemented for at least 24 hours before drilling plug. The conductor string of one to three joints need not be tested after cementing.

The intermediate string shall stand cemented not less than 30 hours before testing pipe and cement. Tests of pipe and cement shall consist of building up a pressure of 1,000 pounds, closing valves, and allowing to stand 30 minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory. This test shall be made both before and after drilling plug.

The production string shall stand cemented not less than 30 hours before testing casing. This test shall be made by building up a pressure of 1,000 pounds, closing valves, and allowing to stand 30 minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory.

All cementing shall be done by the pump and plug method, except that this method shall be optional for a conductor of one to three joints.

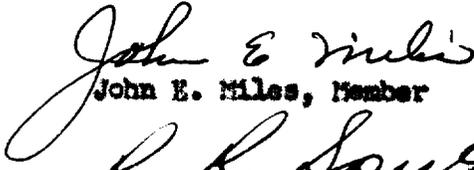
Bailing tests may be used on all casing and cement tests and drill stem tests may be used on cement tests, in lieu of pressure tests. In making bailing tests, the well shall be bailed dry and remain approximately dry for 30 minutes.

If any string of casing fails while being tested by pressure or by bailing tests herein required, it shall be recemented and retested, or an additional string of casing shall be run and cemented. If an additional string is used, the same tests shall be made as outlined for the original string. In submitting Form C-101, "Notice of Intention to Drill", the number of sacks of cement to be used on each string of casing shall be stated.

Done at Santa Fe, New Mexico as of the day and year hereinabove designated.

OIL CONSERVATION COMMISSION

Thomas J. Mabry, Chairman


John E. Miles, Member


R. R. Spurrier, Secretary

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION OF THE STATE
OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 155

ORDER NO. 792

IN THE MATTER OF THE APPLICATION OF THE
NEW MEXICO OIL CONSERVATION COMMISSION, AT
THE REQUEST OF THE LEA COUNTY OPERATORS
COMMITTEE FOR AN ORDER CLARIFYING AND
AMENDING COMMISSION ORDER NO. 52, DATED
FEBRUARY 1, 1947, AND RELATING TO RULES AND
REGULATIONS FOR LEA COUNTY POOLS

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 o'clock a.m. June 15, 1948, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of September, 1948, the Commission having before it for consideration the testimony adduced at the hearing of said case, and being fully advised in the premises;

FINDS:

That clarification of Order No. 52 of February 1, 1937 as amended by Order No. 72, effective August 1, 1937, being known as the "Special Rules and Regulations for The Lea County Fields," and heretofore published in Oil Commission Circular 6, Division 2 thereof.

That clarification of that rule would result in more orderly disposition of crude petroleum and remove uncertainties in the dealings between producer and purchaser.

IT IS THEREFORE ORDERED:

That Order No. 52 of February 1, 1937, as amended by Order No. 72 of August 1, 1937, published as Division 2 of the Oil Conservation Commission Circular 6 and known as the "Special Rules and Regulations for the Lea County Fields, New Mexico," be, and the same hereby is amended so as to read as follows:

SPECIAL RULES AND REGULATIONS FOR THE LEA COUNTY FIELDS, NEW MEXICO

Explanation

The special rules and regulations for the Lea County fields, New Mexico, were adopted by the Commission December 30, 1936, and became effective February 1, 1937. They include the rules and regulations of the Commission in Circular No. 2, "Special Rules and Regulations for the Hobbs, Jal, Cooper and Monument Fields, New Mexico," that have been retained by the Commission. Modifications and additions have been made, and these special rules and regulations now apply to all the Lea County fields, with the exception of the part of the Maljamar Field that is in Lea County.

General rules and Regulations

The general rules and regulations of the New Mexico Oil Conservation Commission established by Order No. 4 and published in Division I of Circular No. 6, "Oil and Gas Conservation Law and General Rules and Regulations for the Conservation of Oil and Gas in New Mexico," shall apply to all present and all future wells in the Lea County fields, except as such rules and regulations are modified or amplified herein to meet the special conditions in the various Lea County fields and to control and prevent waste in those fields.

1. Scope of Special Field Rules

The special rules and regulations for the Hobbs Field contained herein shall be limited in their application to the present 4200-foot productive horizon, and for the other Lea County fields to the horizons now producing.

2. Deviation Tests

When the deviation from vertical in any 500-foot interval averages more than 5 degrees, the hole shall be straightened.

Stratigraphic Markers in the Hobbs Field

The average depths at which the various stratigraphic markers in the Hobbs pool may be expected are as follows:

	<u>Feet</u>
Potable Water	90
Top of Anhydrite	1550
Top of Salt	1700
Base of Salt	2650
Top of Brown Lime	2775
"Bowers" Sand	3200
"Big Gas" Sand	3700
"Sandy Dolomite"	3975
"White Crystalline Lime"	4025

3. Casing and Cementing Programs for the Hobbs Field

Casing programs for the Hobbs pool shall consist of (A) a surface casing string, (b) an intermediate casing string, except as hereinafter provided, and (c) a production casing string.

A. Surface Casing String.

In order to protect the fresh water supply, the surface casing string shall be set at least ten feet into the "Red Bed" Section and cemented back to the bottom of the cellar.

B. Intermediate Casing String.

The intermediate casing string, if required, may consist of either (1) a short string, or (2) a long string, at the option of the operator.

1. The short string, if used, shall be set in the Rustler formation above the top of the main salt and shall be cemented with 150 per cent of the calculated amount of cement to fill back to the bottom of the cellar.

2. The long string, if used, shall be set at least 100 feet below the base of the salt and cemented with 150 per cent of the calculated amount to fill back to the bottom of the cellar.

The intermediate string may be dispensed with only by special permission of the Commission, in wells where the "Brown Lime," "Bowers Sand" and "Big Gas" horizons have, by adequate and satisfactory proof, been found to contain neither oil nor gas.

C. Production Casing String.

The production string shall be set and cemented below the top of the "Sandy Dolomite." Where a short intermediate string is used, the production string shall be cemented with 150 per cent of the calculated cement to bring it to the base of the salt. Where a long intermediate casing string is used, the production string shall be cemented with 150 per cent of the calculated amount to fill back to above the top of "Bowers Sand."

Where no intermediate string is used the production string shall be cemented with 150 per cent of the calculated amount required to fill back to bottom of cellar.

Casing and Cementing Programs for Lea County Fields, Except the Hobbs Field

Casing programs for the Lea County Fields, except Hobbs, shall consist of: (A) a surface casing string, (B) an intermediate casing string, and (C) a production casing string.

A. Surface Casing String.

The surface casing string shall consist of (1) a string of sufficient length to shut off all potable surface waters, which shall be carried at least 15 feet into the "Red Beds," and which shall be cemented to the surface; or (2) a conductor of one to three joints of casing which shall either be pulled or cemented to the surface.

B. Intermediate Casing String.

Inside of the surface casing string (1) a short intermediate string of casing shall be set in the top of the main salt, or (2) a long intermediate string shall be set through the salt as follows:

1. A short string shall be set in the top of the main salt and below the Rustler formation. At the Eunice and Monument fields this string may be set in the Rustler anhydrite. If the surface casing string has been carried 15 feet into the "Red Beds," this intermediate string shall be cemented with 200 percent of the calculated amount to bring the cement to the bottom of the surface casing string. If the surface casing string consists only of a conductor of one to three joints, this intermediate string shall be cemented to the surface. If the cement fails to reach the surface, the intermediate string shall be perforated just above the top of the cement and an additional cement job done which shall bring the cement to the surface.
2. A long string of casing shall be run through the salt and at least 25 feet below it. This string shall be cemented with a two-stage cement job. The lower stage shall be cemented with at least that amount of cement which theoretically would bring the cement 200 feet above the casing shoe. The upper stage shall be cemented from the top of the salt and just below the Rustler formation with 200 percent of the calculated amount to bring the cement to the bottom of the surface casing string. If the surface casing string consists only of a conductor of one to three joints, this upper stage shall cement the string to the surface. If the cement fails to reach the surface, the intermediate string shall be perforated just above the top of the cement, and an additional cement job done which shall bring the cement to the surface.

If desired, where the surface casing string has been set in the "Red Beds," the long string through the salt may be cemented with a one-stage job, using 150 percent of the calculated amount to bring the cement 200 feet above the top of the salt. If the surface casing string consists of a conductor of one to three joints the long intermediate string, when cemented with a one-stage job, shall be cemented to the surface. If the cement does not reach the surface, the pipe shall be perforated just above the top of the cement and an additional cement job done that shall bring it to the surface.

C. Production Casing String.

The production string of casing shall be set either on the top of or within the producing zone. It may be perforated if necessary. The production string shall be cemented as follows:

1. If the intermediate string is set at the top of the salt, the production string shall be cemented with 150 percent of the amount calculated to bring the cement to the base of the salt. Mud shall be circulated ahead of the cement.
2. If the intermediate string is set through the salt, the production casing string shall be cemented with 150 percent of the calculated amount to bring the cement to the bottom of the next larger intermediate string.

4. Special Casing Programs.

At wells where the above regulations are not applicable because of exceptional conditions, the Commission may approve special casing programs upon request and provided adequate proof is submitted to justify such special programs and to assure the prevention of waste.

5. Casing tests for all fields.

The surface casing string shall be tested after drilling plug by bailing the hole dry. The hole shall remain dry for one hour to constitute satisfactory proof of a water shut-off. The surface casing shall stand cemented for at least 36 hours before drilling plug. The conductor string of one to three joints need not be tested after cementing.

The intermediate string shall stand cemented not less than 48 hours before testing pipe and cement. Tests of pipe and cement shall consist of building up a pressure of 1,000 pounds, closing valves, and allowing to stand 30 minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory. This test shall be made both before and after drilling plug.

The production string shall stand cemented not less than 48 hours before testing casing. This test shall be made by building up a pressure of 1,000 pounds, closing valves, and allowing to stand 30 minutes. If the pressure does not drop more than 100 pounds during that period, the test shall be considered satisfactory.

All cementing shall be done by the pump and plug method, except that this method shall be optional for a conductor of one to three joints.

Bailing tests may be used on all casing and cement tests and drillstem tests may be used on cement tests, in lieu of pressure tests. In making bailing tests, the well shall be bailed dry and remain approximately dry for 30 minutes.

If any string of casing fails while being tested by pressure or by bailing tests herein required, it shall be recemented and retested, or an additional string of casing shall be run and cemented. If an additional string is used, the same tests shall be made as outlined for the original string. In submitting Form C-101, "Notice of Intention to Drill," the number of sacks of cement to be used on each string of casing shall be stated.

6. Tubing.

All flowing wells shall be tubed. The tubing shall be set as near the bottom as practicable, but in no case shall tubing perforations be more than 250 feet from bottom. The bottom of the tubing shall be restricted to an opening of less than one inch or bull-plugged in order to prevent the loss of pressure bombs or other devices.

7. Special Equipment.

Meter settings of adequate size to measure efficiently the gas shall be installed on the gas vent line of every flowing well.

Well-head equipment shall be installed and maintained in first-class condition so that static bottom hole pressures may be obtained at any time by a duly authorized agent of the Commission. Valves shall be installed so that pressures may be readily obtained on both casing and tubing.

8. Safety Requirements.

Blow-out preventers shall be installed on the intermediate string and oil string of casing prior to drilling plugs, and shall be tested against pump pressure at least once every 24-hour period while drilling is in progress.

All connections subject to well pressure and all well-head fittings shall be of first-class material, rated at 1500 pounds working pressure and maintained in gas-tight condition. Bradenheads rated at 1500 pounds working pressure shall be installed on all intermediate and oil casing strings, and Bradenhead connections maintained in gas-tight condition. There shall be at least one valve on each Bradenhead.

While drilling wells in under pressure, an oil circulation pit or tanks shall be maintained at least 60 feet from the well.

Drilling boilers shall not be set closer than 200 feet to any well or tank battery. All electrical equipment shall be in first-class condition and properly installed.

Burning pits shall not be located closer than 200 feet from any stock tank or battery, or drilling or producing well.

9. Bradenhead Gas.

Bradenhead gas shall not be used either directly or expansively in engines, pumps or torches or otherwise wasted. It may be used for lease and development purposes, and for the development of nearby leases, except as prohibited above.

Wells shall not be completed as Bradenhead gas wells unless special permission is obtained from the Commission.

10. Gas Lift.

Gas lift shall be used in regular production practice only after application to and approval by the Commission.

11. Chemical Treatment of Wells.

The portions of Rule 7, "Shooting and Chemical Treating of Wells," and Rule 24, "Notice of Intention to Shoot or Chemically Treat Wells," (Form C-102) of the general rules and regulations which relate to obtaining the permission of the Commission to chemically treat wells, shall not be required in the Lea County fields.

12. Method of Producing Flowing Wells.

The owner or operator of any producing units shall not produce from any unit during any calendar month any more oil than the allowable production for such unit as shown by the proration schedule, provided, however, that such owners or operators shall be permitted to balance the production for each unit during the calendar month, provided, further, that the amount of oil which such owner or operator shall be permitted to produce from any unit on any one day in order to balance the production within the calendar month as herein provided, shall not exceed the allowable production for such unit for each day by more than 25 percent of such allowable. In no event shall any unit be produced in any manner or in such amount as to result in the production in any one day from any unit of an amount in excess of 125 percent of the daily allowable.

13. Central Tank Batteries.

At the option of the operator, a central tank battery may be used to receive the production of two to not more than five units of the same basic lease. Exceptions to be made at the discretion of the Commission. Such central tank battery shall include adequate tankage and other equipment so that the production from each well can be accurately determined at reasonable intervals.

14. Eunice-Monument Fields Division Line.

That the matter of the division line between the Eunice-Monument fields be as follows:

The southern boundary of the Monument field shall be the northern boundary of Eunice field, the division line between the two fields shall be: an east-west line running one-quarter mile south of the north line of the following sections: Sections 23 and 24, T.20 S, R.36 E, N.M.P.M. and sections 19, 20, 21 and 22, T.20 S, R.37 E, N.M.P.M.

15. Unit for Proration Purposes in all Lea County Fields.

That the unit for proration purposes in all Lea County fields shall be the legal subdivision of 40 acres, more or less, or lot of 40 acres, more or less, as defined and determined by the official plats of the United States Government surveys.

All prior orders or portions thereof insofar as they are in conflict with the unit for proration provided for herein shall be revoked as of the effective date provided for hereinbelow.

This order shall become effective on the first day of the proration month next succeeding the month in which said order is adopted.

AND IT IS FURTHER ORDERED: That this case remain open on the docket for such further changes or corrections in the Lea County rules as may be proper.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John E. Miles
JOHN E. MILES, Member

R. R. Spurrler
R. R. SPURRLER, Secretary