

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. 522
ORDER NO. R-316

THE MATTER OF THE APPLICATION OF THE
OIL CONSERVATION COMMISSION UPON ITS OWN
MOTION FOR AN ORDER (1) REVISING RULE 112
OF ORDER 850 TO PROVIDE FOR THE APPROVAL
OF DUAL COMPLETIONS BY THE COMMISSION SEC-
RETARY WHEN SUBJECT WELL INVOLVES A GAS-OIL
DUAL COMPLETION; (2) REVISING DEFINITION 34
PERTAINING TO MULTIPLE COMPLETIONS; AND
(3) ESTABLISHING A SEPARATE RULE FOR THE
COMPLETION OF BRADENHEAD GAS WELLS, THIS
BEING A REVISION OF SECTION 'C', RULE 112,
OF THE COMMISSION'S RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 17, 1953, and April 16, 1953, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of April, 1953, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received in the hearings, 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 the cause and the subject matter thereof.
- (2) That there is need for a restatement of Definition 34, MULTIPLE COMPLETIONS, as set forth in Section A of the Commission's Rules and Regulations, in order that it define DUAL COMPLETIONS and henceforth apply thereto.
- (3) That Rule 112 of the Commission's Rules and Regulations should be restated to include a Rule 112-A pertaining to dual completions and conditions for approval thereof, and a Rule 112-B pertaining to Bradenhead gas wells and production of gas therefrom, and approval by the Secretary of the Commission under certain prescribed circumstances, without the necessity for notice and hearing.

IT IS THEREFORE ORDERED:

- (1) That the application of the Oil Conservation Commission be, and the same hereby is approved as follows.
- (2) That Definition 34 as set forth in Section A of the Rules and Regulations henceforth read as follows:

Definition 34: DUAL COMPLETION shall mean the completion of any well so as to permit the production from two common sources of supply with the production from each common source of supply completely segregated.

(3) That the present Rule 112 on Multiple Zone Completions be superseded by the following:

RULE 112-A: DUAL COMPLETIONS.

(a) The dual completion of any well may be permitted only by order of the Commission upon hearing, except as noted by Paragraph (c) of this rule.

(b) The application for such hearing shall be submitted in triplicate and shall include an exhibit showing the location of all wells on applicant's lease and all offset wells on offset leases, and shall set forth all material facts on the common sources of supply involved, and the manner and method of completion proposed.

(c) The Secretary of the Commission shall have authority to grant an exception to the requirements of Paragraph (a) above without notice and hearing where application has been filed in due form, and when the lowermost producing zone involved in the dual completion is an oil or gas producing zone within the defined limits of an oil or gas pool, and the upper producing zone involved in the dual completion is a gas producing zone within the defined limits of a gas pool.

Applicants shall furnish all operators who offset the lease upon which the subject well is located a copy of the application to the Commission, and applicant shall include with his application a written stipulation that all offset operators have been properly notified. The Secretary of the Commission shall wait at least 10 days before approving any such dual completion, and shall approve such dual completion only in the absence of objection from any offset operator. In the event an operator objects to the dual completion, the Commission shall consider the matter only after proper notice and hearing.

The Commission may waive the 10-day waiting period requirements if the applicant furnishes the Commission with the written consent to the dual completion by all offset operators involved.

RULE 112-B: BRADENHEAD GAS WELLS.

(a) The production of gas from a Bradenhead gas well may be permitted only by order of the Commission upon hearing, except as noted by the provisions of Paragraph (c) of this rule.

(b) The application for such hearing shall be submitted in triplicate and shall include an exhibit showing the location of all wells on applicant's lease and all offset wells on offset leases, together with a diagrammatic sketch showing the casing program, formation tops, estimated top of cement on each casing string run and any other pertinent data, including drill stem tests.

(c) The Secretary of the Commission shall have authority to grant an exception to the requirements of Paragraph (a) above without notice and hearing where application has been filed in due form, and when the lowermost producing zone involved in the completion is an oil or gas producing zone within the defined limits of an oil or gas pool and the producing zone to be produced through the Bradenhead connection is a gas producing zone within the defined limits of a gas pool.

Applicants shall furnish all operators who offset the lease upon which the subject well is located a copy of the application to the Commission, and applicant shall include with his application a

written stipulation that all offset operators have been properly notified. The Secretary of the Commission shall wait at least 10 days before approving the production of gas from the Bradenhead gas well, and shall approve such production only in the absence of objection from any offset operator. In the event an operator objects to the completion the Commission shall consider the matter only after proper notice and hearing.

The Commission may waive the 10-day waiting period requirement if the applicant furnishes the Commission with the written consent to the production of gas from the Bradenhead connection by all offset operators involved.

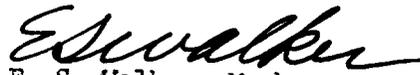
This rule shall apply only to wells hereinafter completed as Bradenhead gas wells.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Edwin L. Mechem, Chairman



E. S. Walker, Member



R. R. Spurrier, Secretary

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