

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. 759
Order No. R-538

THE APPLICATION OF MAGNOLIA
PETROLEUM COMPANY FOR AN
ORDER GRANTING PERMISSION TO
DUALY COMPLETE AND PRODUCE
FOR A 6-MONTH TESTING PERIOD ITS
BRUNSON-ARGO WELL NO. 1, NW NE
SECTION 9, TOWNSHIP 22 SOUTH, RANGE
37 EAST, NMPM, LEA COUNTY, NEW
MEXICO, THE DUAL COMPLETION INVOLV-
ING THE PRODUCTION OF OIL FROM THE
BLINEBRY OIL POOL THROUGH THE TUBING-
CASING ANNULUS AND THE PRODUCTION OF
GAS FROM THE TUBB GAS POOL THROUGH
THE TUBING.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 16, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this ¹⁴ day of October, 1954, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the subject matter thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That applicant's well, Brunson-Argo, No. 1, NW/4 NE/4 Section 9, Township 22 South, Range 37 East, NMPM, was originally completed as an oil well producing from the Drinkard Pool.
- (3) That application was filed by the applicant and permission received to recomplete the well as a dual gas-gas well, the recompletion being granted under the provisions of Rule 112-A of the Commission's Rules and Regulations and ordered by the provisions of Order DC-129.
- (4) That when recompleted the Blinebry zone produced approximately 20 BOPD with a gas-oil ratio of 8283 to 1.

(5) That evidence indicates that an effective separation has been made between the Tubb and Blinebry zones by the use of a packer.

(6) That the provisions of Rule 107-C require all oil wells to be flowed through tubing.

(7) That applicant desires permission to produce the Blinebry zone through the tubing-casing annulus without the use of tubing, the Tubb zone to be produced through tubing, for a temporary 6-month period in order to evaluate the Blinebry Oil Zone.

(8) That approval of this application would result in a greater ultimate recovery of oil from the Blinebry zone.

(9) That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for successful dual or multiple completions of oil and gas wells, the Commission is unconvinced of the soundness of such dual-multiple completions as a general practice in New Mexico without specific controls over each such project.

IT IS THEREFORE ORDERED:

That the applicant herein, Magnolia Petroleum Company, be and it hereby is authorized to dually complete and produce its Brunson-Argo No. 1 well, located in NW/4 NE/4 Section 9, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner that oil and/or gas from the Blinebry formation may be produced through the annular space between the casing and tubing, and oil and/or gas from the Tubb formation through the tubing by proper perforations and packer installations.

PROVIDED HOWEVER, that this permit shall be effective for a period not to exceed 6 months from the date of allowable assignments.

PROVIDED HOWEVER, that subject well shall be completed, and thereafter produced, in such manner that there will be no commingling within the well bore, either within or outside the casing, of gas, oil and gas, or oil produced from either or both of the separate strata, and,

PROVIDED FURTHER, that said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used at any time, as may be required by the Commission or its representatives, in order that natural gas, oil or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and,

PROVIDED FURTHER, that the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by applicant herein and all witnesses, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, that upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED, that jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

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


W. B. MACEY, Member and Secretary

SEAL