

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. 1063
Order No. R-822

THE APPLICATION OF HUMBLE OIL
AND REFINING COMPANY FOR AN
ORDER GRANTING APPROVAL FOR A
DUAL COMPLETION OF ITS NEW
MEXICO STATE "AK" WELL NO. 1,
LOCATED 1880 FEET FROM THE WEST
LINE AND 1880 FEET FROM THE SOUTH
LINE OF SECTION 32, TOWNSHIP 18
SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO, SAID WELL TO
BE DUALY COMPLETED AS AN OIL
PRODUCER FROM THE LOWER QUEEN
FORMATION OF THE EUMONT GAS POOL
AND AS A GAS PRODUCER FROM THE
UPPER QUEEN FORMATION OF THE
EUMONT GAS POOL, APPLICANT
FURTHER SEEKS AN ORDER GRANTING
A 240 ACRE NON-STANDARD GAS
PRORATION UNIT COMPRISING THE
SW/4 AND SW/4 NW/4 AND SW/4 SE/4
OF SECTION 32, TOWNSHIP 18 SOUTH,
RANGE 37 EAST, NMPM, EUMONT GAS
POOL, IN LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 25, 1956, at Hobbs, New Mexico, before Warren W. Mankin, Examiner duly appointed by the Oil Conservation Commission of New Mexico, in accordance with Rule 1214 of the Rules and Regulations of the New Mexico Oil Conservation Commission.

NOW, on this 18th day of June 1956, the Commission, a quorum being present, having considered the application and the evidence adduced and the recommendations of the Examiner, Warren W. Mankin, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That applicant by the preponderance of the evidence proved that the two intervals involved in the proposed dual completion are from two separate zones of the Eumont Gas Pool.

(3) That the application for dual completion of applicant's New Mexico State "AK" Well No. 1 should be granted.

(4) That applicant would be deprived of his fair share of the gas in the Eumont Gas Pool if this application for a 240 acre non-standard gas proration is denied.

(5) That there were no objections entered as to the granting of a 240 acre non-standard proration unit.

IT IS THEREFORE ORDERED:

1. That the applicant herein, Humble Oil and Refining Company be and is hereby authorized to dually complete its New Mexico State "AK" Well No. 1, located 1980 feet from the West line and 1880 feet from the South line of Section 32, Township 18 South, Range 37 East, MMPM, Lea County, New Mexico, in such a manner as to permit production of gas from the Upper Queen formation of the Eumont Gas Pool by proper perforations of the casing through the casing-tubing annulus and production of oil from the lower Queen formation of the Eumont Gas Pool by proper perforations of the casing through the tubing and the installation of a suitable packer and with the installation of adequate surface equipment to maintain complete separation of the two zones of production.

PROVIDED HOWEVER, That subject well shall be completed and thereafter produced in such a 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,

PROVIDED HOWEVER, That prior to the actual dual completion the operator shall make pressure tests of the casing to prove that no casing leaks have developed since the well was originally completed. In the event a casing leak is apparent the operator shall take appropriate steps to adequately repair the leak. The results of these tests shall be reported to the Commission on Form C-103.

PROVIDED FURTHER, That upon the actual dual completion of such subject well applicant shall submit to the appropriate District Office of the Commission, copies of Oil Conservation Commission Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on those forms by existing Rules and Regulations and two copies of the electric log of the well.

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, packer leakage tests on completion and annually during the GOR test of the Eumont Gas Pool and submit packer setting affidavit upon completion or when the packer is disturbed or remedial action is taken, 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 the applicant herein and all witnesses, and shall be filed with the Commission within ten days after 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 the application of Humble Oil and Refining Company for an order granting the establishment of a 240 acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 and SW/4 NW/4 and SW/4 SE/4 of Section 32, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico, be and the same is hereby granted.

That applicant's well New Mexico State "AK" Well No. 1, located in the Eumont Gas Pool, Lea County, New Mexico, be granted an allowable in the proportion that the above described 240 acre unit bears to the standard unit for said pool, said allowable to become effective on the first of the month following the submission by the applicant to the Commission's Hobbs office, of Forms C-104, C-110 and C-128 or the first of the month following the date of the connection to the pipeline upon completion of the well, whichever date is later.

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

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

