

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. 1443
Order No. R-1214

APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION TO
AMEND RULE 112-A OF THE COMMISSION
RULES AND REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

.This cause came on for hearing at 9 o'clock a.m. on May 14, 1958, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 3rd day of July, 1958, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 this cause and the subject matter thereof.

(2) That Rule 112-A of the Commission Rules and Regulations should be revised in order to facilitate the granting of applications for dual completions by administrative order.

IT IS THEREFORE ORDERED:

That Rule 112-A of the Commission Rules and Regulations be and the same is hereby revised to read as follows:

RULE 112-A - MULTIPLE COMPLETIONS

I. The multiple completion of any well may be permitted only by order of the Commission after notice and hearing, except as herein-after provided. Multiple completion of any well without prior approval by the Commission shall be solely at the operator's risk and shall in no way commit the Commission to subsequent approval thereof.

II. The Secretary-Director of the Commission shall have the authority to grant an exception to the requirements of Rule 112-A I and approve the dual completion of a well without notice and hearing where application has been filed in due form; and

(a) the well is to be dually completed within the limits of two defined pools or within one mile thereof, and the Commission has previously authorized the dual completion of a well in the same zones as proposed, after notice and hearing; or the well is to be dually completed outside the limits of a defined pool and there is a dual completion in the same zones within one mile of the proposed dual completion which has previously been authorized by the Commission after notice and hearing, provided however that in Rio Arriba, San Juan, and Sandoval Counties, a proposed gas-gas dual completion may be approved even though it is not within defined pools nor within one mile of a previously authorized dual completion of similar nature, if both the upper zone and the lower zone of the proposed dual completion have been recognized by the Commission as being gas producing zones suitable for dual completion; and

(b) The applicant proposes to utilize one of the mechanical installations described below:

1. The well is to be completed as a gas-gas dual completion and the hydrocarbons from each of the two zones can be safely and efficiently produced through parallel strings of tubing or through a single string of tubing and the tubing-casing annulus.

2. The well is to be completed as a gas over oil dual completion and the hydrocarbons from each of the two zones can be safely and efficiently produced through parallel strings of tubing or through the tubing-casing annulus and a single string of tubing respectively.

3. The well is to be completed as an oil over gas dual completion and the hydrocarbons from each of the two zones can be safely and efficiently produced through parallel strings of tubing or through a single string of tubing and the tubing-casing annulus respectively by means of a crossover flow assembly.

4. The well is to be completed as an oil-oil dual completion and the hydrocarbons from each of the two zones can be safely and efficiently produced through parallel strings of tubing; and

(c) All strings of tubing used for the production of oil in the proposed dual completion will have a nominal inside diameter of not less than 1.750 inches nor greater than 2.50 inches; and

(d) The packer used to segregate the separate producing zones of the dual completion will be a permanent type production packer.

III. Application for administrative approval of a dual completion shall be made in quadruplicate, with two copies of the application to be mailed to the Commission's Santa Fe office, and two copies to the District Office for the area in which the well is located. Application shall be made on the Commission Form entitled, "Application for Dual Completion," and shall be accompanied by the following:

(a) Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location of packers, side door chokes, and such other information as may be pertinent.

(b) Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.

(c) Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.

(d) Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as hereinafter provided.)

The Secretary-Director may approve the dual completion, if after a period of 20 days following the filing of the application, no operator has filed objection to the proposed dual completion.

IV. Application for public hearing to authorize a multiple completion shall be made in triplicate to the Commission's Santa Fe Office. Application shall be made on the Commission Form entitled "Application for Dual Completion," and shall set forth all material facts relative to the common sources of supply involved and the manner and method of completion proposed. Application shall be accompanied by an exhibit showing the location of all wells on applicant's lease and all offset wells on offset leases.

V. All dual completions, whether approved after hearing or by administrative procedure, shall be subject to the following rules:

(a) Prior to actual dual completion of a well, operator shall make adequate pressure tests of the casing to determine that no casing leaks exist. Results of casing tests shall be reported to the Commission on Form C-103.

(b) The well shall be completed and thereafter produced in such a manner that there will be no commingling of hydrocarbons from the separate strata.

(c) The operator shall commence a segregation test and packer leakage test not later than seven days after actual dual completion of the well. Segregation tests and packer leakage tests shall also be made any time the packer is disturbed and at such other intervals as the Commission may prescribe. The operator shall also make all other tests and determinations deemed necessary by the Commission. Offset operators as well as the Commission shall be notified of the time such tests are to be commenced. Tests may be witnessed by representatives of offset operators and of the Commission at their election. Results of such tests shall be filed with

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the Commission within 15 days after the completion of tests; provided however, that in the event a segregation test or packer leakage test indicates that there is communication between the separate strata, the operator shall immediately notify the Commission and commence remedial action on the well.

(d) A packer setting affidavit shall accompany the report of the initial segregation test and packer leakage test.

(e) The well shall be so equipped that reservoir pressures may be determined for each of the separate strata and further, be so equipped that meters may be installed and the gas, oil and gas, and oil produced from each of the separate strata may be accurately measured, and the gas-oil ratio or the gas-liquid ratio thereof determined.

(f) Within 15 days after the completion of the well, the operator shall furnish the Commission with a diagrammatic sketch of the mechanical installation which was actually used in completing the well together with a report of the gravity, gas-oil ratio or gas-liquid ratio, and reservoir pressure for each of the separate zones, and the log of the well if the same has not been previously submitted.

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

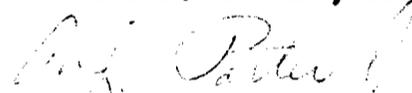
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



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