

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. 1479
Order No. R-1236

APPLICATION OF AZTEC OIL & GAS COMPANY
FOR AN OIL-OIL DUAL COMPLETION IN AN
UNDESIGNATED BLINEBRY OIL POOL AND IN
THE DRINKARD POOL IN LEA COUNTY, NEW
MEXICO, AND FOR PERMISSION TO COMMINGLE
THE PRODUCTION FROM TWO SEPARATE POOLS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 2, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 6th day of August, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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 the applicant, Aztec Oil & Gas Company, is the owner and operator of the State BD-36 Well No. 1, located 1980 feet from the South line and 1980 feet from the East line of Section 36, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant proposes to dually complete said BD-36 Well No. 1 in such a manner as to permit the production of oil from an undesignated Blinebry oil pool and the production of oil from the Drinkard Pool through parallel strings of 1½-inch tubing.
- (4) That the applicant further proposes to commingle the production from the said BD-36 Well No. 1 from the undesignated Blinebry oil pool and the Drinkard Pool after the production from

each of said pools has been separately measured.

(5) That the production from each of the producing horizons is expected to be relatively low; accordingly 1½-inch tubing will be sufficient to handle the production from the subject well.

(6) That applicant established that all anticipated production of both oil and water can be pumped without difficulty.

(7) That in this particular case the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(8) That approval of the subject application will not cause waste nor impair correlative rights.

(9) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Aztec Oil & Gas Company, be and the same is hereby authorized to dually complete its State ED-36 Well No. 1, located 1980 feet from the South line and 1980 feet from the East line of Section 36, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico in such a manner as to permit the production of oil from an undesignated Blinebry oil pool and the production of oil from the Drinkard Pool through parallel strings of 1½-inch tubing.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Section V, Rule 112-A, as amended by Order R-1214.

PROVIDED FURTHER, That the operator shall make any and all tests, including segregation and packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Drinkard Pool, commencing in the year 1959, and whenever the packer is disturbed, but not excluding any other tests and/or determinations as deemed necessary by the Commission.

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.

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(2) That the applicant, Aztec Oil & Gas Company, be and the same is hereby authorized to commingle the production from the said State BD-36 Well No. 1 from the undesignated Blinebry oil pool and the Drinkard Pool, provided the production from each of said pools is separately measured by means of either positive displacement meters or dump-type meters prior to being commingled.

PROVIDED FURTHER, That the applicant shall notify the Commission as to type of meters installed on the above-described well and that said meters shall be checked for accuracy at intervals and in a manner satisfactory to the Commission.

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

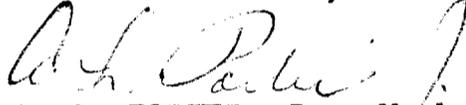
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



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