

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. 2397
Order No. R-2098

APPLICATION OF READING & BATES, INC.
FOR A TEMPORARY EXCEPTION TO RULE
107 (d), EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 4, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, 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 18th day of October, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Reading & Bates, Inc., seeks a temporary exception to Rule 107 (d) to permit the production of oil from the Simms Federal Well No. 1, located in the NE/4 NW/4 of Section 34, Township 18 South, Range 30 East, NMPM, North Benson Queen Pool, Eddy County, New Mexico, without installing tubing.
- (3) That the bottom-hole pressure of the well is too high, at this time, to permit the installation of tubing without killing the well.
- (4) That even though there is a danger of waste being caused by inefficient flow in producing the subject well without tubing, there is also a danger that waste might result from killing the well in order to install tubing.
- (5) That the applicant should be granted an exception to Rule 107 (d) to permit the production of oil from the said Simms Federal Well No. 1 without installing tubing until April 1, 1962; provided, however, that in the event the bottom-hole pressure of

said well diminishes to 1537 PSI or in the event the gas-oil ratio of the well exceeds 2000 : 1 prior to April 1, 1962, tubing should be installed in said well at that time.

(6) That during the period of the exception granted by this order the applicant should be required to conduct monthly gas-oil ratio tests and to file the results thereof with the Commission. Said tests should also indicate the 24-hour shut-in casing pressure of the well.

(7) That the applicant should be permitted to obtain administrative approval from the Secretary-Director of the Commission for an extension of the exception to Rule 107 (d) in the event the bottom-hole pressure has not diminished to 1537 PSI by April 1, 1962, provided that the gas-oil ratio has not increased excessively.

IT IS THEREFORE ORDERED:

(1) That the applicant, Reading & Bates, Inc., is hereby granted an exception to Rule 107 (d) until April 1, 1962, to permit the production of oil from the Simms Federal Well No. 1, located in the NE/4 NW/4 of Section 34, Township 18 South, Range 30 East, NMPM, North Benson Queen Pool, Eddy County, New Mexico, without installing tubing.

PROVIDED HOWEVER, That in the event the bottom-hole pressure of said well diminishes to 1537 PSI or in the event the gas-oil ratio of the well exceeds 2000 : 1 prior to April 1, 1962, tubing shall be installed in said well at that time.

PROVIDED FURTHER, That during the period of the exception granted by this order the applicant shall conduct monthly gas-oil ratio tests on said well and shall file the results thereof with the Artesia Office of the Commission. Applicant shall also report each month on said gas-oil ratio tests the casing pressure on said well after a 24-hour shut-in period.

PROVIDED FURTHER, That the applicant shall be permitted to obtain administrative approval from the Secretary-Director of the Commission for an extension of the exception to Rule 107 (d) in the event the bottom-hole pressure has not diminished to 1537 PSI by April 1, 1962, provided that the gas-oil ratio does not exceed 2000 : 1.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



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