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THE APPLICATION OF HOLLY ENERGY, INC. FOR A DUAL COMPLETION JAN 1 6 1981

O. C. D. ARTESIA, OFFICE

ORDER NO. MC-2776

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 112-A, Holy Energy, Inc. made application to the New Mexico Oil Conservation Division on November 20, 1980, for permission to dually complete its State B^HCom Well No. 1 located in Unit P of Section 14, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, in such a manner as to permit production of oil from the Travis-Upper Pennsylvanian Pool and gas from the South Empire-Morrow Gas Pool.

Now, on this 9th day of January, 1981, the Division Director finds:

1. That application has been filed under the provisions of Rule 112-A of the Division's Rules and Regulations;

2. That satisfactory information has been provided that all operators of offset acreage have been duly notified;

3. That no objections have been received within the waiting period as prescribed by said rule;

4. That the proposed dual completion will not cause waste nor impair correlative rights.

5. That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, Holly Energy, Inc., be and the same is hereby authorized to dually complete its State B Com Well No. 1 located in Unit P of Section 14, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, in such a manner as to permit production of oil from the Travis-Upper Pennsylvanian Pool and gas from the South Empire-Morrow Gas Pool through the tubing and the casing-tubing annulus respectively.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PRUVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO ONL CONSERVATION DIVISION JDE D. RAMEY

Division Director