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Case No. 5151 1-16-74

Order No. R-4712 1-24-74

IT IS THEREFORE ORDERED:

(1) That the applicant, Penroc Oil Corporation, is hereby authorized to complete its Dero-Federal A-Com Well No. 1, located in Unit N of Section 35, Township 19 South, Range 28 East, Eddy County, New Mexico, as a dual completion to produce gas from the Winchester-Wolfcamp gas pool and from an undesignated Strawn gas pool.

(2) That production from the Strawn formation shall be through 2 3/8-inch tubing set in a packer located at approximately 9995 feet, above the Strawn perforations, and thence, by means of a crossover assembly, through the casing-tubing annulus to the surface. Production from the Wolfcamp formation shall be through the casing-tubing annulus and thence, by means of a crossover assembly, through the 2 3/8-inch tubing to the surface. The crossover assembly shall be set in a packer located above the Wolfcamp perforations at approximately 8910 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with the provisions of this order.

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for the Winchester-Wolfcamp gas pool.

(3) That the applicant shall report to the Commission the flowing tubing pressure, the daily gas flow rate and the daily liquid production rate from the Strawn zone at 30 day intervals for the first 90 days following the connection of the well to a gas transportation facility.

(4) That should the data supplied under Order (3) above indicate inefficient annular flow, a hearing will be scheduled to permit the operator to appear and show cause why Order (1) of this order should not be rescinded.

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