

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. 1943
Order No. R-1660

APPLICATION OF GULF OIL CORPORATION
FOR A GAS-GAS DUAL COMPLETION IN THE
OTERO-GALLUP OIL POOL AND THE DAKOTA
PRODUCING INTERVAL, RIO ARriba COUNTY,
NEW MEXICO, AND FOR CERTAIN EXCEPTIONS
TO RULE 107 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 April 27, 1960, 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 9th day of May, 1960, 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, Gulf Oil Corporation, is the owner and operator of the Apache-Federal Well No. 8, located in Unit D, Section 8, Township 24 North, Range 5 West, NMPM, Rio Arriba County, New Mexico.

(3) That the applicant proposes to dually complete the said Apache-Federal Well No. 8 in such a manner as to permit the production of gas from the Otero-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through the casing-tubing annulus and the tubing respectively.

(4) That inasmuch as the applicant proposes to produce the Gallup gas through the casing-tubing annulus, an exception to Rule 107 (d) (2) of the Commission Rules and Regulations is requested.

(5) That the evidence presented indicates that at the

present time the Gallup gas can be efficiently produced through the casing-tubing annulus since the well is not producing liquids.

(6) That should the Gallup formation begin, at any time, to make appreciable amounts of liquids the operator should be required to install tubing to produce the Gallup gas.

(7) That due to junk in the hole the operator found it necessary to set the tubing to the Dakota Producing Interval considerably more than 250 feet above the top of the pay-zone, and thus an exception to Rule 107 (d) (2) of the Commission Rules and Regulations is requested.

(8) That the dual completion of the said Apache-Federal Well No. 8 in the manner proposed by the applicant should be permitted.

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to dually complete its Apache-Federal Well No. 8, located in Unit D, Section 8, Township 24 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Otero-Gallup Oil Pool and the production of gas from the Dakota Producing Interval through the casing-tubing annulus and the tubing respectively, said tubing being set at a point higher than the 250-foot requirement of Rule 107 (d) (2).

PROVIDED HOWEVER, That should the said Apache-Federal Well No. 8 begin, at any time, to make appreciable amounts of liquids, the operator shall install tubing to produce the Gallup gas.

PROVIDED FURTHER, That the applicant shall complete, operate, and produce the said Apache-Federal Well No. 8 in accordance with the provisions of Section V, Rule 112-A.

PROVIDED FURTHER, That the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Deliverability Test Period for the Dakota Producing Interval.

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 the applicant to comply with any requirement of this order, the Commission may terminate the

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authority hereby granted and require the applicant or its successors and assigns to limit its activities to regular single-zone production in the interest of conservation.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

MURRAY E. MORGAN, Member

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

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