THE APPLICATION OF MAGNOLIA PETROLEUM COMPANY FOR PERMISSION TO EFFECT DUAL COMPLETION OF ITS JICARILLA "C" LEASE WELL NO. 2, LOCATED IN THE SE/4 SW/4 SECTION 7, TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM, RIO ARRIBA COUNTY, NEW MEXICO, TO PRODUCE GAS FROM THE TAPACITO PICTURED CLIFFS POOL AND GAS FROM THE BLANCO MESAVERDE POOL.

Order No. DC-542

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Rule 112-A (c) Magnolia Petroleum Company made application to the New Mexico Oil Conservation Commission on December 26, 1957, for permission to dually complete its Jicarilla "C" Lease Well No. 2, located in the SE/4 SW/4 Section 7, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, to produce gas from the Tapacito Pictured Cliffs Pool and gas from the Blanco Mesaverde Pool.

NOW on this 8th day of January, 1958, the Secretary-Director finds:

(1) That application has been duly filed under the provisions of Sub-section 'c' of Rule 112-A of the Commission's Rules and Regulations;

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

(3) That no objections have been received within the waiting period 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, Magnolia Petroleum Company be and the same is hereby authorized to dually complete its Jicarilla "C" Lease Well No. 2, located in the SE/4 SW/4 Section 7, Township 26 North, Range 3 West, NMPM, Rio Arriba, County, New Mexico, to produce gas from the Tapacito Pictured Cliffs Pool and gas from the Blanco Mesaverde Pool through parallel strings of tubing.

PROVIDED HOWEVER, That subject well shall be completed and thereafter produced in such a manner that there will be no commingling within the well-bore, either within or outside the casing, of gas, oil and gas, or oil produced from either or both of the separate strata,

PROVIDED HOWEVER, That prior to the actual dual completion the operator shall make pressure tests of the casing to prove that no casing leaks exist. In the event a casing leak is apparent the operator shall take appropriate steps to adequately repair the leak. The results of these tests shall be reported to the Commission on Form C-103.

PROVIDED FURTHER, That upon the actual dual completion of such subject well applicant shall submit to the appropriate District Office of the Commission copies of Oil Conservation Commission Form C-103, Form C-104, Form C-110, and Form C-122, outlining the information required on those forms by existing Rules and Regulations, and two copies of the electric log of the well.

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata and further, be equipped with all necessary connections required to permit recording meters to be installed and used at any time as may be required by the Commission or its representatives, in order that natural gas, oil, or oil from each separate stratum may be accurately measured and the gas-oil or gas-liquid ratio thereof determined, and

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 Deliverability Test Period for the Blanco Mesaverde Pool, commencing in the year 1958, and whenever the packer is disturbed, but not excluding any other tests and/or determinations as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of offset operators if any there be at their election , and the results of each test, properly attested to by the applicant herein and all witnesses, shall be filed with the Commission within fifteen (15) days after the completion of such tests, and further, that applicant shall file with the Commission in duplicate a packer-setting affidavit, which affidavit shall be due within fifteen (15) days of the dual completion or whenever the packer is disturbed, and

PROVIDED FURTHER, That upon the actual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas-oil ratio or gas-liquid ratio, and reservoir pressure determination for each producing zone or stratum immediately following completion.

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.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A. L. PORTER, Jr.,
Secretary-Director

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[illegible] That the subject well [illegible] production shall be equipped in such a way that [illegible] may be determined separately for each of the two zones [illegible] further, be equipped with all necessary connections required to permit [illegible] to be installed and used at any time as may be required by [illegible] representatives, in order that natural gas, oil [illegible] may be accurately measured and the [illegible]

[illegible] That the operator shall make any and [illegible] segregation and packer leakage tests upon completion [illegible] annually thereafter during the annual Deliverability Test Period for the [illegible] year [illegible] tests [illegible] by the Commission [illegible] the original and all subsequent [illegible] witnessed by [illegible] offset operators [illegible] any three [illegible] results of such tests [illegible] witnessed [illegible] with the Commission [illegible] completion of such tests; and further [illegible] setting affidavit [illegible] within fifteen (15) days of the [illegible] completion [illegible]

[illegible] That upon the actual completion of [illegible] well, applicant shall submit to the Commission a diagrammatic [illegible] of the mechanical installation which was actually used to complete [illegible] and a special report of production [illegible] gas-liquid ratio, and reservoir pressure determination [illegible] immediately following completion.

[illegible] That jurisdiction of this cause [illegible] hereby retained by the [illegible] for such further order or orders as may seem necessary [illegible] prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with [illegible] requirement of this order after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant [illegible] successors and assigns to limit its [illegible] regular single zone [illegible] the interests of conservation.

DONE at [illegible] New Mexico, on the day and year [illegible]

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A. L. PORTER, Jr.,
Secretary-Director