

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 112-A Southland Royalty Co. made application to the New Mexico Oil Conservation Division on October 13, 1981, for permission to dually complete its Hanks Well No. 18-M located in Unit I of Section 5, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Mesaverde formation adjacent to the Blanco-Mesaverde Pool and the Basin-Dakota Pool.

Now, on this 9th day of November, 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; and

(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, Southland Royalty Co., be and the same is hereby authorized to dually complete its Hanks Well No. 18-M, located in Unit I of Section 5, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Mesaverde formation adjacent to the Blanco-Mesaverde Pool and the Basin-Dakota Pool through parallel strings of tubing.

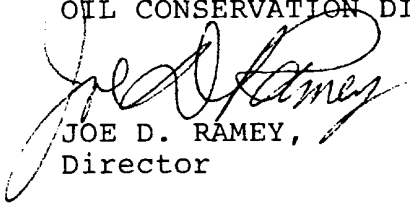
PROVIDED HOWEVER, that applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PROVIDED 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
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director





STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

OIL CONSERVATION DIVISION
BOX 2088
SANTA FE, NEW MEXICO 87501

DATE 10-22-81

RE: Proposed MC
Proposed DHC _____
Proposed NSL _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX _____

Gentlemen:

I have examined the application dated 10-9-81
for the SOUTHLAND ROYALTY Co. HANKS 18-M I-5-27N-9W
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

APPROVE

Yours truly,

Charles J. Allen

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

APPLICATION FOR MULTIPLE COMPLETION

| | | | |
|-----------------------------------------------------------|------------------|---------------------------|--------------------------------|
| Operator <i>Southland Royalty Company</i> | | County <i>San Juan</i> | Date <i>October 9, 1981</i> |
| Address <i>P.O. Drawer 579, Farmington, New Mexico</i> | | Lease <i>Hanks</i> | Well No. <i>18-M</i> |
| Location of Well | Unit <i>I</i> | Section <i>5</i> | Township <i>27N</i> |
| | | | Range <i>9W</i> |

1. Has the New Mexico Oil Conservation Division heretofore authorized the multiple completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO
2. If answer is yes, identify one such instance: Order No. _____ ; Operator Lease, and Well No.: _____

3. The following facts are submitted:

| | Upper Zone | Intermediate Zone | Lower Zone |
|------------------------------------------------------|--------------------------|-------------------|---------------------|
| a. Name of Pool and Formation | <i>Blanco Mesa Verde</i> | | <i>Basin Dakota</i> |
| b. Top and Bottom of Pay Section (Perforations) | <i>4810'-5077'</i> | | <i>6913'-7072'</i> |
| c. Type of production (Oil or Gas) | <i>Gas</i> | | <i>Gas</i> |
| d. Method of Production (Flowing or Artificial Lift) | <i>Flowing</i> | | <i>Flowing</i> |

4. The following are attached. (Please check YES or NO)

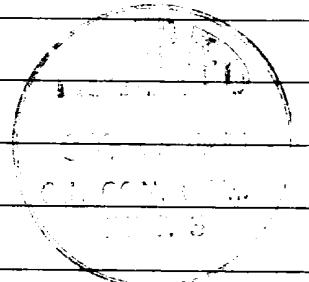
- | | | |
|-------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yes | No | |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | a. Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | c. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.* |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.) |

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Amax Petroleum Corporation, P.O. Box 42806, Houston, Texas 77042

El Paso Natural Gas Company, P.O. Box 990, Farmington, New Mexico 87401

Tenneco Oil Company, P. O. Box 3249, Englewood, Colorado 80155



6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES NO _____. If answer is yes, give date of such notification *October 9, 1981*.

CERTIFICATE: I, the undersigned, state that I am the *Dist. Prod. Manager* of the *Southland Royalty Company* (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

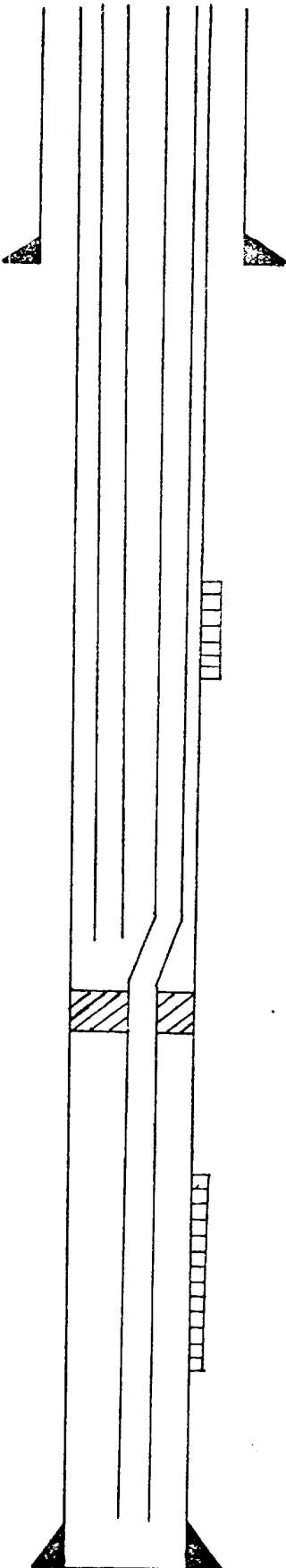
[Signature]
Signature

Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Division will hold the application for a period of twenty (20) days from date of receipt by the Division's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

SOUTHEAST ROYALTY COMPANY - DUAL COMPLETION DIAGRAM

HANKS #18-M
1610' ESL & 1070' FEL
Section 5, T27N, R9W
San Juan County, New Mexico



8-5/8", 24#, K-55 casing set at 235', cemented with 100 sacks cement.

Perforated Mesa Verde from 4810'-5077' (12 holes).
Frac'd with 80,000 gals of slick water and 70,000# of 20/40 sand.

Landed 1-1/2", 2.76#, V-55, IJ tubing at 5060'.

Otis PermaLock Packer set at 5182'.

Perforated Dakota from 6913'-7072' (12 holes).
Frac'd with 83,000 gals of 30# gel water and 68,000# 20/40 sand.

Landed 1-1/2", 2.9#, J-55, EUE tubing at 7046'.

5-1/2", 17# & 15.50#, K-55 casing set at 7105'.
Cemented in 3 stages with 690 sacks cement.

R 9 W

