JUL 2 0 1981

THE APPLICATION OF ENERGY RESERVE OIL CON. COM.
GROUP, INC. FOR A DUAL COMPLETION DIST. 3 ORDER NO. MC-2864

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 112-A, Energy Roserves Group,
Inc., made application to the New Mexico Oil Conservation
Division on June 1, 1981, for permission to dually complete its
Gallegos Canyon Unit Well No. 312 located in Unit B of Section 16,
Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico,
in such a manner as to permit production of gas from the
Fruitland formation adjacent to the Pinon-Fruitland Pool and the
West Kutz-Pictured Cliffs Pool.

Now, on this 19th day of June, 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, Energy Reserves Group, Inc., be and the same is hereby authorized to dually complete its Gallegos Canyon Unit Well No. 312 located in Unit B of Section 16, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Fruitland Formation adjacent to the Pinon-Fruitland Pool and the West Kutz-Pictured Cliffs Pool through the casing-tubing annulus and the tubing respectively.

PROVIDED HOWEVER, 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 PIVISION

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JOE D. RAMEY
Division Director