

CASE 2808: HEARING CALLED BY THE
OIL CONSERVATION COMMISSION FOR
REVISION OF CASE 11

CASE No.
2808

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

NEW MEXICO OIL CONSERVATION COMMISSION
EXHIBIT "A"
CASE NO. 2808

RULE 112-A. MULTIPLE COMPLETIONS

I. No change

II. MULTIPLE COMPLETIONS (CONVENTIONAL)

The Secretary-Director of the Commission shall have the authority to grant an exception to the requirements of Rule 112-A (I) and approve the dual or triple completion of a well to produce from more than one common source of supply without notice and hearing when application for such approval has been filed in due form; and

(a) The Commission has previously authorized the similar multiple completion of a well in the same common sources of supply as proposed, after notice and hearing, provided however, that in Rio Arriba, San Juan, Sandoval, and McKinley Counties, a proposed multiple completion may be approved if the Commission has previously authorized the similar multiple completion of a well in the same formations as proposed, after notice and hearing; and

(b) The applicant proposes to utilize one of the mechanical installations described below:

1. The well is to be completed as a gas-gas dual or as a gas-gas-gas triple and the hydrocarbons from each of the zones can be safely and efficiently produced through parallel strings of tubing or a combination of tubing string(s) and the tubing-casing annulus.

2. The well is to be completed as an oil-oil dual or as an oil-oil-oil triple and the hydrocarbons from each of the zones can be safely and efficiently produced through parallel strings of tubing.

3. The well is to be completed as a combination oil and gas multiple completion and the hydrocarbons from each oil zone can be safely and efficiently produced through parallel strings of tubing and the hydrocarbons from each gas zone can be safely and efficiently produced through parallel string(s) of tubing and the tubing-casing annulus; and

(c) All strings of tubing used for the production of oil in the proposed multiple completion will have a nominal inside diameter of not less than 1.670 inches nor greater than 2.50 inches; and

(d) The packer(s) used to segregate the separate zones of the multiple completion shall be production-type packer(s) and shall effectively prevent communication between all producing zones.

III. MULTIPLE COMPLETIONS (TUBINGLESS AND COMBINATION)

The Secretary-Director of the Commission shall have the authority to grant an exception to the requirements of Rule 112-A (I) and approve the multiple completion of a well without notice and hearing where application has been filed in due form; and

(a) The Commission has previously authorized the similar multiple completion of a well in the same common sources of supply as proposed, after notice and hearing; provided however, that in Rio Arriba, San Juan, Sandoval, and McKinley Counties, a proposed multiple completion may be approved if the Commission has previously authorized the similar multiple completion of a well in the same formations after notice and hearing; and

(b) The applicant proposes to employ one of the following methods of completion:

1. Same

2. Multiple Completion (Combination) utilizing a combination of small diameter (2.875 inches OD or less) and conventional diameter (greater than 2.875 inches) casing strings, all cemented in a common well-bore. Provided however, that if any conventional diameter casing in said multiple completion is used for the production of more than one common source of supply, the rules pertaining to Multiple Completions (Conventional) in Rule 112-A II above shall also apply; and

(c) No change

(d) No change

(e) No change

(f) No change

PAN AMERICAN PETROLEUM CORPORATION

OIL AND GAS BUILDING P. O. BOX 1410

FORT WORTH 1, TEXAS

WILLIAM V. GRISHAM
DIVISION ENGINEER

May 10, 1963

File: GHP-180-986.510.1

Subject: Case Nos. 2808, 2809,
2810 and 2811
NMOCC Statewide Hearing
May 15, 1963

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Reference is to Case Nos. 2808, 2809, 2810 and 2811 which have been docketed to be heard on the Commission's own motion at the May 15, 1963 Statewide Hearing.

After study of the Commission's proposed revisions in the various Statewide Rules involved, it is believed that these revisions will serve to clarify existing rules, reduce the number of required hearings, and reduce the testing requirements of operators without compromising the intent of the rules or sacrificing quality of information available to the Commission. Pan American Petroleum Corporation, as an operator in the state of New Mexico, therefore urges the Statewide Rule amendments as proposed by the Commission under the above cited cases.

Yours very truly,

W.V. Grisham



PHILLIPS PETROLEUM COMPANY
BARTLESVILLE, OKLAHOMA

EXPLORATION AND PRODUCTION DEPARTMENT

Handwritten notes:
J. L. Griffin
at to 8/1

May 10, 1963

AIR MAIL

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention Mr. A. L. Porter, Jr.,
Secretary-Director

New Mexico Oil Conservation
Commission - Revision of State-
wide Rule 112

Gentlemen:

At Roswell on May 15 you will consider the amendment of State-wide Rule 112 to permit administrative approval by the Secretary-Director of the Commission of conventional triple completions of wells.

Phillips Petroleum Company urges that the Commission adopt the proposed amendment. Thereby, unnecessary hearings will be avoided, thus, lowering the cost of producing oil and gas in the State of New Mexico.

Yours very truly,

Earl Griffin, Manager
Production Division

EG:OPN:hd

No. 14-63

DOCKET: REGULAR HEARING - WEDNESDAY - MAY 15, 1963

OIL CONSERVATION COMMISSION - 9 A.M., ELKS CLUB, 200 NORTH RICHARDSON
AVENUE, ROSWELL, NEW MEXICO

- ALLOWABLE: (1) Consideration of the oil allowable for June, 1963.
- (2) Consideration of the allowable production of gas for June, 1963, from ten prorated pools in Lea and Eddy Counties, New Mexico, and also presentation of purchasers' nominations for said pools for the six-month period beginning July 1, 1963; consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico for June, 1963.
- CASE 2802: Application of J. R. Cone for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cone Jalmat Yates Pool Unit Area comprising 1,760 acres of State land in Township 22 South, Range 35 East, Lea County, New Mexico.
- CASE 2803: Application of J. R. Cone for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Yates formation, Jalmat Pool, through 4 wells located in Units J, L and N of Section 13, and Unit D of Section 24, Township 22 South, Range 35 East, Lea County, New Mexico.
- CASE 2804: Application of John W. Gates for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the White City-Pennsylvanian Gas Pool underlying all of Section 29, Township 24 South, Range 26 East, Eddy County, New Mexico.
- CASE 2805: Application of Newmont Oil Company for an amendment of Order No. R-2178-B. Applicant, in the above-styled cause, seeks an amendment of Order No. R-2178-B, which order established an administrative procedure for expansion by stages of the Loco Hills Sand Unit Waterflood Project, Eddy County, New Mexico. Said amendment is necessitated by unexpected delay in commencing initial injection in the unit area.
- CASE 2806: Application of Sun Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause,

seeks an order force pooling all mineral interests in the Oil-Center Blinbry Pool underlying the W/2 SW/4 of Section 3, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 2807: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider a revision of Rule 1301 of the Commission Rules and Regulations to include Grant, Sierra, Hidalgo, and Luna Counties in Oil Conservation Commission District No. 2, headquarters Artesia, New Mexico.

CASE 2808: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider a revision of Rule 112 of the Commission Rules and Regulations to permit the administrative approval by the Secretary-Director of the Commission of triple completions (conventional).

CASE 2809: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider a revision of Rule 701-B, 701-C, and 701-E of the Commission Rules and Regulations insofar as said rules relate to the method of making application for hearings or administrative approval for injection or disposal wells.

CASE 2810: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the revision of Rule 401 of the Commission Rules and Regulations to require open flow potential tests of natural gas wells upon completion and after workovers only rather than annually as now required.

CASE 2811: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the revision of Rule 402 of the Commission Rules and Regulations to require shut-in pressures of natural gas wells annually only rather than semi-annually as now required.

CASE 2812: Southeastern New Mexico nomenclature case calling for an order for the creation, contraction, abolishment, and extension of certain pools in Chaves, Eddy, Lea, and Roosevelt Counties, New Mexico.

(a) Create a new gas pool for Strawn production, designated as the Antelope Sink-Strawn Gas Pool, and described as:

TOWNSHIP 18 SOUTH, RANGE 23 EAST, NMPM
Section 30: All

- (b) Create a new oil pool for Abo production, designated as the Midway-Abo Pool, and described as:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 9: S/2
Section 16: NW/4
Section 17: NE/4

- (c) Create a new oil pool for San Andres production, designated as the Penasco-San Andres Pool, and described as:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 25: NW/4

- (d) Contract the Robinson (Grayburg-San Andres) Pool in Eddy and Lea Counties, New Mexico, by deletion of the following-described acreage in Eddy County:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 25: S/2 and S/2 NE/4
Section 35: All
Section 36: All

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 1: S/2 and E/2 NW/4
Section 2: All
Section 11: E/2 and N/2 NW/4

- (e) Abolish the North Robinson-Queen-Grayburg-San Andres Pool in Eddy County, described as:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 24: NE/4

- (f) Extend the Grayburg-Jackson Pool to include:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 24: W/2 SE/4 and SW/4 NE/4
Section 25: S/2 and NE/4
Section 35: All
Section 36: All

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 1: N/2 and E/2 SE/4
Section 2: All
Section 11: All

- (g) Extend the Artesia Pool to include:
TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 24: SE/4
- (h) Extend the Corral Canyon-Delaware Pool to include:
TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM
Section 17: W/2 SW/4
Section 20: NW/4 NW/4
- (i) Extend the Henshaw-Wolfcamp Pool to include:
TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 23: SE/4
- (j) Extend the High Lonesome Pool to include:
TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 20: E/2 E/2
- (k) Extend the Inbe-Pennsylvanian Pool to include:
TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 18: W/2 NE/4 and NW/4
- (l) Extend the North Justis-Blaine Pool to include:
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 2: S/2 NE/4 and SE/4
- (m) Extend the North Justis-Devonian Pool to include:
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4
- (n) Extend the North Justis-Tubb Drinkard Pool to include:
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4
- (o) Extend the Pearl-Queen Pool to include:
TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 36: SE/4
TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 1: N/2 NE/4

- (p) Extend the Sawyer-San Andres Gas Pool to include:

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM
Section 31: SE/4

- (q) Extend the Vacuum-Devonian Pool to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 35: NE/4
Section 36: NW/4

- (r) Extend the Vacuum-Glorieta Pool to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 36: SW/4

- (s) Extend the Wantz-Abo Pool to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 26: SW/4
Section 35: W/2

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 2: All

- (t) Extend the West Henshaw-Grayburg Pool to include:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 33: S/2 SE/4
Section 34: SW/4 SW/4

- (u) Extend the Diablo-San Andres Pool to include:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 21: NE/4 NE/4
Section 22: NW/4 NW/4

- (v) Extend the Windmill-San Andres Pool to include:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 10: W/2 SW/4
Section 15: NW/4 NW/4

- (w) Extend the West Allison-Pennsylvanian Pool to include:

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM
Section 36: NE/4

- (x) Extend the Milnesand-San Andres Pool to include:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM

Section 1: S/2 SE/4

Section 12: NE/4

Section 24: SW/4

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM

Section 5: N/2 SE/4

- (y) Extend the South Prairie-Pennsylvanian Pool to include:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM

Section 15: SE/4

CASE 2813:

Northwestern New Mexico nomenclature case calling for an order extending certain existing pools in Rio Arriba, San Juan, and Sandoval Counties, New Mexico.

- (a) Extend the Aztec-Pictured Cliffs Pool to include:

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM

Section 14: SW/4

Section 23: N/2

Section 24: NW/4

- (b) Extend the Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

Section 20: S/2

- (c) Extend the South Blanco-Pictured Cliffs Pool to include:

TOWNSHIP 23 NORTH, RANGE 2 WEST, NMPM

Section 2: All

Section 3: E/2

Section 11: All

Section 12: W/2

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Section 34: SW/4

- (d) Extend the Blanco-Mesaverde Pool to include:

TOWNSHIP 32 NORTH, RANGE 5 WEST, NMPM

Partial Section 18: All

Partial Section 19: All

- (e) Extend the Puerto Chiquito-Gallup Oil Pool to include:

TOWNSHIP 27 NORTH, RANGE 1 EAST, NMPM
Section 20: SE/4 SW/4

- (f) Extend the Verde-Gallup Oil Pool to include:

TOWNSHIP 31 NORTH, RANGE 15 WEST, NMPM
Section 10: SE/4 SW/4

igg/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 2808
Order No. R-2489

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER A REVISION OF RULE 112
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 May 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of May, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 there is need for the revision of Rule 112-A of the Commission Rules and Regulations to permit administrative approval by the Secretary-Director of the Commission of the dual completion (conventional) or triple completion (conventional) of a well if a similar multiple completion in the same common sources of supply as proposed has been authorized after notice and hearing, or in the case of Rio Arriba, San Juan, Sandoval, and McKinley Counties, if a similar multiple completion of a well in the same formations as proposed has been authorized after notice and hearing.

(3) That approval of the proposed rule change will enable the Oil Conservation Commission to more efficiently administer the laws of the State of New Mexico as they relate to conservation of oil and gas, and will be in the interest of economy, both to the operators and the Commission, by eliminating hearings for such multiple completions.

IT IS THEREFORE ORDERED:

(1) That Rule 112-A of the Commission Rules and Regulations,

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CASE No. 2808
Order No. R-2489

Sections II and III, be and the same are hereby amended to read in their entirety as follows:

II. MULTIPLE COMPLETIONS (CONVENTIONAL)

The Secretary-Director of the Commission shall have the authority to grant an exception to the requirements of Rule 112-A I and approve the dual or triple completion of a well to produce from more than one common source of supply without notice and hearing when application for such approval has been filed in due form; and

(a) The Commission has previously authorized the similar multiple completion of a well in the same common sources of supply as proposed, after notice and hearing; provided however, that in Rio Arriba, San Juan, Sandoval, and McKinley Counties, a proposed multiple completion may be approved if the Commission has previously authorized the similar multiple completion of a well in the same formations as proposed, after notice and hearing; and

(b) The applicant proposes to utilize one of the mechanical installations described below:

1. The well is to be completed as a gas-gas dual or as a gas-gas-gas triple and the hydrocarbons from each of the zones can be safely and efficiently produced through parallel strings of tubing or a combination of tubing string(s) and the tubing-casing annulus.

2. The well is to be completed as an oil-oil dual or as an oil-oil-oil triple and the hydrocarbons from each of the zones can be safely and efficiently produced through parallel strings of tubing.

3. The well is to be completed as a combination oil and gas multiple completion and the hydrocarbons from each oil zone can be safely and efficiently produced through parallel strings of tubing and the hydrocarbons from each gas zone can be safely and efficiently produced through parallel string(s) of tubing or through a combination of tubing and the tubing-casing annulus; and

(c) All strings of tubing used for the production of oil in the proposed multiple completion will have a nominal inside diameter of not less than 1.670 inches nor greater than 2.50 inches; and

(d) The packer(s) used to segregate the separate zones of the multiple completion will be production-type packer(s) and shall effectively prevent communication between all producing zones.

III. MULTIPLE COMPLETIONS (TUBINGLESS AND COMBINATION)

The Secretary-Director of the Commission shall have the authority to grant an exception to the requirements of Rule 112-A I and approve the multiple completion of a well without notice and hearing where application has been filed in due form; and

(a) The Commission has previously authorized the similar multiple completion of a well in the same common sources of supply as proposed, after notice and hearing; provided however, that in Rio Arriba, San Juan, Sandoval, and McKinley Counties, a proposed multiple completion may be approved if the Commission has previously authorized the similar multiple completion of a well in the same formations after notice and hearing; and

(b) The applicant proposes to employ one of the following methods of completion:

1. Multiple Completion (Tubingless) utilizing two or more small diameter casing strings (2.875 inches OD or less), one to each common source of supply, all cemented in a common well-bore.
2. Multiple Completion (Combination) utilizing a combination of small diameter (2.875 inches OD or less) and conventional diameter (greater than 2.875 inches) casing strings, all cemented in a common well-bore. Provided however, that if any conventional diameter casing in said multiple completion is used for the production of more than one common source of supply, the rules pertaining to Multiple Completions (Conventional) in Rule 112-A II above shall also apply; and

(c) Sufficient cement will be used in said multiple completion to extend throughout each pay and a minimum of 100 feet above; and

(d) Centralizers and/or turbolizers will be installed on each joint of casing throughout each pay and on a minimum of three joints above; and

(e) Directional perforating equipment will be used in perforating all intervals in any casing string in said multiple completion which intervals are in a zone through which one or more other casing strings pass.

(f) The requirements of paragraphs (c) and (d) may be modified for multiple completions within given common sources of supply and within a given area if, in the opinion of the Secretary-Director, circumstances warrant such modification.

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CASE No. 2803
Order No. R-2489

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell

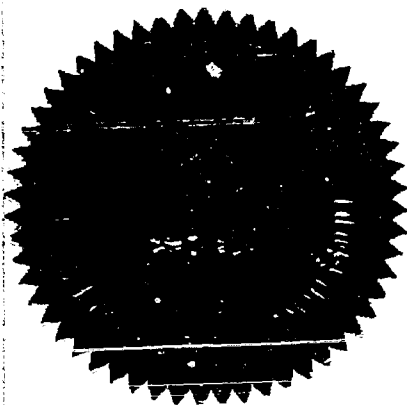
JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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



esr/

DRAFT

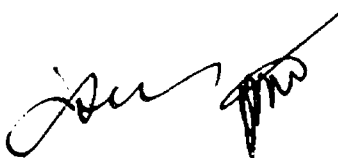
DSN/esr
May 21, 1963

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. 2808

Order No. R-2489


IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION TO
CONSIDER A REVISION OF RULE 112
OF THE COMMISSION RULES AND
REGULATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Roswell,

This cause came on for hearing at 9 o'clock a.m. on
May 15, 1963, at ~~Santa Fe~~ New Mexico, before the Oil Conser-
vation Commission of New Mexico, hereinafter referred to as the
"Commission."

NOW, on this _____ day of May, 1963, the Commission,
a quorum being present, having considered the testimony presented
and the exhibits received at said hearing, 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 there is need for the revision of Rule 112-A of
the Commission Rules and Regulations to permit ~~the~~ administrative
approval by the Secretary-Director of the Commission of the dual
~~completion (conventional)~~
or triple completion (conventional) of a well if a similar
multiple completion in the same common sources of supply as
proposed has been authorized after notice and hearing, or in
the case of Rio Arriba, San Juan, Sandoval, and McKinley
Counties, if a similar multiple completion of a well in the
same formations as proposed has been authorized after notice
and hearing.

(3) That approval of the proposed rule change will enable
the Oil Conservation Commission to more efficiently administer

the laws of the State of New Mexico as they relate to conservation of oil and gas, *and will be in the interest of economy, both to the operators and the Commission, by eliminating ~~the~~ hearings for such multiple completions.*

IT IS THEREFORE ORDERED:

(1) That Rule 112-A of the Commission Rules and Regulations, Sections II and III, be and the same are hereby amended to read in their entirety as follows:

II. MULTIPLE COMPLETIONS (CONVENTIONAL)

The Secretary-Director of the Commission shall have the authority to grant an exception to the requirements of Rule 112-A [I] and approve the dual or triple completion of a well to produce from more than one common source of supply without notice and hearing when application for such approval has been filed in due form; and

(a) The Commission has previously authorized the similar multiple completion of a well in the same common sources of supply as proposed, after notice and hearing; provided however, that in Rio Arriba, San Juan, Sandoval, and McKinley Counties, a proposed multiple completion may be approved if the Commission has previously authorized the similar multiple completion of a well in the same formations as proposed, after notice and hearing; and

(b) The applicant proposes to utilize one of the mechanical installations described below:

1. The well is to be completed as a gas-gas dual or as a gas-gas-gas triple and the hydrocarbons from each of the zones can be safely and efficiently produced through parallel strings of tubing or a combination of tubing string(s) and the tubing-casing annulus.

2. The well is to be completed as an oil-oil dual or as an oil-oil-oil triple and the hydrocarbons from each of the zones can be safely and efficiently produced through parallel strings of tubing.

3. The well is to be completed as a combination oil and gas multiple completion and the hydrocarbons from each oil

zone can be safely and efficiently produced through parallel strings of tubing and the hydrocarbons from each gas zone can be safely and efficiently produced through parallel string(s) of tubing ~~and the tubing-casing annulus; and~~ *for through a combination of tubing and the tubing-casing annulus; and*

(c) All strings of tubing used for the production of oil in the proposed multiple completion will have a nominal inside diameter of not less than 1.670 inches ~~not~~ *not* greater than 2.50 inches; and

(d) The packer(s) used to segregate the separate zones of the multiple completion ~~shall~~ *will* be production-type packer(s) and shall effectively prevent communication between all producing zones.

III. MULTIPLE COMPLETIONS (TUBINGLESS AND COMBINATION)

The Secretary-Director of the Commission shall have the authority to grant an exception to the requirements of Rule 112-A I and approve the multiple completion of a well without notice and hearing where application has been filed in due form; and

(a) The Commission has previously authorized the similar multiple completion of a well in the same common sources of supply as proposed, after notice and hearing; provided however, that in Rio Arriba, San Juan, Sandoval, and McKinley Counties, a proposed multiple completion may be approved if the Commission has previously authorized the similar multiple completion of a well in the same formations after notice and hearing; and

(b) The applicant proposes to employ one of the following methods of completion:

1. Multiple Completion (Tubingless) utilizing two or more small diameter casing strings (2.875 inches OD or less), one to each common source of supply, all cemented in a common well-bore.
2. Multiple Completion (Combination) utilizing a combination of small diameter (2.875 inches CD or less) and conventional diameter (greater than 2.875 inches) casing strings, all cemented

in a common well-bore. Provided however, that if any conventional diameter casing in said multiple completion is used for the production of more than one common source of supply, the rules pertaining to Multiple Completions (Conventional) in Rule 112-A II above shall also apply; and

✓ (c) Sufficient cement ^{will} ~~shall~~ be used in said multiple completion to extend throughout each pay and a minimum of 100 feet above; and

✓ (d) Centralizers and/or turbolizers ^{will} ~~shall~~ be installed on each joint of casing throughout each pay and on a minimum of three joints above; and

✓ (e) Directional perforating equipment ^{will} ~~shall~~ be used in perforating all intervals in any casing string in said multiple completion which intervals are in a zone through which one or more other casing strings pass.

(f) The requirements of paragraphs (c) and (d) may be modified for multiple completions within given common sources of supply and within a given area if, in the opinion of the Secretary-Director, circumstances warrant such modification.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Roswell, New Mexico
May 15, 1963

IN THE MATTER OF:)

The hearing called by the Oil Conserva-)
tion Commission on its own motion to)
consider a revision of Rule 112 of the)
Commission Rules and Regulations to per-)
mit the administrative approval by the)
Secretary-Director of the Commission of)
triple completions (conventional).)

Case 2808

BEFORE: Honorable Jack M. Campbell
Mr. A. L. "Pete" Porter
Mr. E. S. "Johnny" Walker

TRANSCRIPT OF HEARING

MR. PORTER: We will take up Case 2808.

MR. DURRETT: In the matter of the hearing called by
the Oil Conservation Commission on its own motion to consider a
revision of Rule 112 of the Commission Rules and Regulations to
permit the administrative approval by the Secretary-Director of
the Commission of triple completions (conventional).

If the Commission please, J. M. Durrett, Junior, appearing
again for the Commission and its staff. Mr. Nutter will be the
witness in this case. He has been sworn in the previous case.

MR. PORTER: The record will show that he's sworn.

DANIEL S. NUTTER



called as a witness, having been previously duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. DURRETT:

Q Mr. Hutter, once again, will you please give us a brief background of the proposed, first, give us a brief background of the rule as it exists, and then give us a slight summary of the proposed rule and some of its background?

A Yes, sir. The Commission, several years ago, amended Rule 112 to permit the administrative approval under certain circumstances of dual completion, conventional, and multiple completions, tubingless. It hasn't been apparent without a close reading of the rule, but the triple completion of a conventional type of completion was not permitted administratively, although a triple, quadruple or even quintuple completion of a tubingless completion was eligible for administrative approval.

At the time the rule was adopted we felt that there was such a variety of possible installations that could be submitted for the conventional type of triple completion that we meant these should go into a hearing to explore the method of completion.

The triple completions, conventional, have, however, stabilized into a rather well-known and practical method of completion, and we feel that these should be eligible for



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administrative approval at this time. We have, therefore, gone through Rule 112 (a) and made the necessary changes to permit the administrative approval of the triple completion, conventional.

Q And is this the only substantiative change that you have made in this rule, Mr. Hutter?

A For all practical purposes that is a true statement. However, we have, I would like to go into this in a little more detail. Rule 112 (a) as it now exists, Roman numeral I, relates to multiple completions will be permitted only after notice and hearing except as provided by this rule.

Roman numeral II, then, defines dual completions, and it prescribes the conditions under which they would be permitted. One of the paragraphs there will be sub paragraph (a) of Roman numeral II, provides that the well to be eligible for administrative approval must be dually completed within the limits of two defined pools or within one mile thereof, except in the case of San Juan, Rio Arriba, Sandoval and McKinley Counties, where it's a gas-gas dual, and two gas producing zones that have been recognized by the Commission, it does not have to be within one mile of that pool.

We propose that Section (a) of III would read as follows:
That the well would be eligible for administrative approval if,



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(a) "The Commission has previously authorized the similar multiple completion of a well in the same common sources of supply as proposed, after notice and hearing; provided, however, that in Rio Arriba, San Juan, Sandoval, and McKinley Counties, a proposed multiple completion may be approved if the Commission has previously authorized the similar multiple completion of a well in the same formations" as proposed.

This **was** an interpretive thing in the past in which if the well was completed, was being completed within the same, within the defined pools, that was all right, but if it was within one mile of the pools we had to decide whether or not it was actually within those pools or not. Now, we think that defining it as being the same common sources of supply, it will remove that limitation of being within the defined pools or within one mile of the defined pool, and I think it will eliminate some of the hearings that **have been necessary in the past.**

Also, in the San Juan Basin, if a well is completed in any formations which have previously been authorized for multiple completion, it would be eligible for administrative approval. There are no pressure problems in the San Juan Basin which would render any of these zones incompatible with another for multiple completion.

In effect, what this should be would eliminate all hearings



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for multiple completions in the San Juan Basin henceforth.

Q In that connection, is it your opinion, Mr. Nutter, that although we are eliminating the necessity for some hearings, that there will be no danger in doing so, that correlative rights might be impaired or waste caused?

A I think it's safe to say that, yes.

Q You think that this rule would substantially cover that problem?

A Yes, sir, and I think it will be in the interest of saving the money, both to the operators and to the Commission.

Q Do you feel in connection with this rule that it will allow the Commission to more efficiently and effectively enforce the laws of the State of New Mexico as they pertain to conservation of oil and gas?

A Yes, I do.

Q Was Exhibit A prepared by you or under your direct supervision?

A Yes, sir.

MR. DURRETT: If the Commission please, I move the introduction of Exhibit A at this time, and this concludes my examination of Mr. Nutter.

MR. PORTER: Without objection, the exhibit will be admitted.



(Whereupon, Commission's Exhibit A was introduced and admitted in evidence.)

MR. PORTER: Does anyone have a question of Mr. Hutter concerning this case? The witness may be excused.

(Witness excused.)

MR. PORTER: Does anyone have a statement they would like to make in connection with the case? Mr. Kastler.

MR. KASTLER: Bill Kastler, appearing on behalf of Gulf Oil. Gulf concurs in this proposed rule change.

MR. PORTER: Anyone else? The Commission will take the case under advisement.

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Roswell, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 5th day of June, 1963.

Ada Dearnley
Notary Public-Court Reporter

My commission expires:

June 19, 1963,

