BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF TIDE WATER ASSOCIATED OIL COMPANY FOR AN ORDER GRANTING IT PERMISSION TO DUALLY COMPLETE STATE "S" NO. 2 WELL, DRINKARD POOL, NE/4 NW/4, SECTION 15, TOWNSHIP 21-S. RANGE 37-E, N.M.P.M., LEA COUNTY, NEW MEXICO

CASE NO: 518

APPLICATION

COMES NOW, Tide Water Associated Oil Company, a Delaware Corporation, operating in New Mexico from a field office in Hobbs, and respectfully represents to the Oil Conservation Commission of the State of New Mexico as follows:

1. That Tide Water Associated Oil Company's State "S" Well No. 2, located in the NE/4 NW/4, Section 15, Township 21 South, Range 37 East, N.M.P.M., Drinkard Pool, Lea County, New Mexico, was completed in November 1948, as an oil well producing from the Drinkard formation from open hole (6630-6662') and from casing perforations (6565-6615'). Five and one-half inch production casing was set at 6630' and cemented with 500 sacks. The well drilled through the Blinebry Gas Zone (5585-5720') feet and the Tubbs gas or oil zone (6115-6270').

2. That State "S" Well No. 2 is presently capable of producing less than 7 barrels of oil per day, an amount of oil considered by applicant to be at or below the economic limit for a well of its depth.

3. Applicant represents that it is practical and economically feasible to set a cement plug, seal off and abandon the oil production from the Drinkard Pool zone, and to dually complete the State "S" No. 2 well to produce gas or oil through the tubing from the Tubbs Gas Zone and gas from the Blinebry formation through the annular space between the casing and tubing, by proper perforations and installation of proper packer and well head connections, and in such manner that there will be no commingling of fluids between the two reservoirs.

4. Applicant further represents that the granting of this application to produce dually, gas from the Blinebry formation and gas or oil from the Tubbs formation is in the interests of conservation and the protection of correlative rights.

5. That attached hereto is a plat marked Exhibit "A", showing the location of State "S" No. 2 well, and surrounding wells and leaseholds. The Commission has previously issued orders granting operators permission to dually complete and produce from the Tubbs formation, those wells shown on the attached plat colored in orange, and from the Blinebry, those wells shown colored in green. SUBJECT: IN THE MATTER OF THE APPLICATION OF TIDE WATER ASSOCIATED OIL COMPANY FOR AN ORDER GRANTING IT PERMISSION TO DUALLY COMPLETE STATE "S" NO. 2 WELL, DRINKARD POOL, NE/4 NW/4, SECTION 15, TOWNSHIP 21-S. RANGE 37-E. N.M.P.M., LEA COUNTY, NEW MEXICO

6. That an electric log of said State "S" No. 2 well is attached hereto and marked Exhibit "B".

7. That applicant proposes to dually complete said well to produce gas or oil from the Tubbs formation through the tubing, and gas through the tubing-casing annulus from the Blinebry formation in the following manner:

- a. Set a cement plug to seal off the open hole below 52" casing and perforations opposite the Drinkard formation.
- b. Perforate the 52" casing opposite the permeable zones in both the Blinebry and Tubbs formation.
- c. Set a production type packer between the two sets of casing perforations as shown on the attached diagrammatic sketch marked Exhibit "C".

8. That copies of this application and Exhibits have been sent to the operators of all leases adjoining applicants State "S" lease.

WHEREFORE, Applicant requests that this matter be set down for hearing on due notice, and that at such hearing it be authorized to dually complete said well in accordance with the foregoing petition and the rules and regulations of the Commission.

DONE at Houston, Texas, on this the 10th day of February, 1953.

Respectfully submitted

TIDE WATER ASSOCIATED OIL COMPANY

J. B. Holloway

JBH: stm