

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1062
Order No. R-826

APPLICATION OF SINCLAIR OIL AND
GAS COMPANY FOR AN ORDER GRANTING
APPROVAL OF A DUAL COMPLETION OF ITS
IDA WHITE WELL NO. 2, LOCATED 1650
FEET FROM THE SOUTH LINE AND 2310
FEET FROM THE EAST LINE OF SECTION 35,
TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM,
EUMONT GAS POOL, LEA COUNTY, NEW
MEXICO. SAID WELL TO PRODUCE GAS FROM
THE YATES SEVEN RIVERS AND UPPER QUEEN
FORMATIONS OF THE EUMONT GAS POOL AND
PRODUCE OIL FROM THE LOWER QUEEN
FORMATION OF THE EUMONT GAS POOL.
APPLICANT FURTHER SEEKS AN ORDER
ESTABLISHING AN 80 ACRE NON-STANDARD
GAS PRORATION UNIT COMPRISING THE
N/2 SE/4 OF SECTION 35, TOWNSHIP 20
SOUTH, RANGE 36 EAST, EUMONT GAS
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
April 25, 1956, at Hobbs, New Mexico, before Warren W. Mankin,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico in accordance with Rule 1214 of the Rules and Regulations
of the New Mexico Oil Conservation Commission.

NOW, on this 18th day of June 1956, the Commission, a
quorum being present, having considered the application and the
evidence adduced and the recommendations of the Examiner, Warren
W. Mankin, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That Stanolind Oil and Gas Company and the Texas
Company entered an objection to the dual completion of subject
well as proposed in the application.

(3) That perforations as proposed in the application,
are at too close intervals to insure separation of the oil from the
gas zones. However, applicant has agreed to certain stipulations
for the widening of the aforesaid intervals between zones.

(4) That the dual completion should be approved in this case in the interests of conservation and the protection of correlative rights.

(5) That applicant will be deprived of the opportunity to recover his fair share of gas in the Eumont Gas Pool should the 80 acre non-standard gas proration unit applied herewith be denied.

IT IS THEREFORE ORDERED:

That the applicant herein, Sinclair Oil and Gas Company be and is hereby authorized to dually complete its Ida White Well No. 2, located 1650 feet from the South line and 2310 feet from the East line of Section 35, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, in such a manner as to permit the production of gas from the Yates Seven Rivers and Upper Queen formations of the Eumont Gas Pool by proper perforations of the casing through the casing-tubing annulus and the production of oil from the Lower Queen formation of the Eumont Gas Pool by proper perforations of the casing through the tubing and the installation of a suitable packer and with the installation of adequate surface equipment to maintain complete separation of the two zones of production.

PROVIDED HOWEVER, That the bottom of perforations open in the gas zone shall not be closer than 100 feet from the top of the perforations in the oil zone.

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 have developed since the well was originally completed. 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 and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and

PROVIDED FURTHER, That the operator-applicant shall make any and all tests, including segregation tests, packer leakage tests on completion and annually during the GOR survey in the Eumont Gas Pool and submit packer setting affidavit on completion and thereafter when the packer is disturbed or remedial action taken, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and 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, and shall be filed with the Commission within ten days after completion of such test, and

PROVIDED FURTHER, That upon the actual dual 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 and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED: That the application of Sinclair Oil and Gas Company for an order granting the establishment of an 80 acre non-standard gas proration unit in the Eumont Gas Pool, comprising:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
N/2 SE/4 Section 35

be and the same is hereby granted.

That applicant's well, the Ida White No. 2, located in the Eumont Gas Pool shall be granted an allowable in the proportion that the above described 80 acre unit bears to the standard unit for said pool, said allowable to become effective on the first of the month following the submission by the applicant to the Commission's Hobbs, New Mexico office, Forms C-104, C-110 and C-128, or the first of the month following the date of the connection to the pipeline upon completion of the well, whichever date is later.

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

John F. Simms
JOHN F. SIMMS, Chairman

E. S. WALKER, Member

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

