

EXHIBIT No. 1

CASE

1443

Proposed General Rule of Statewide Application Pertaining to  
Multiple Zone Completions

**RULE 112. MULTIPLE ZONE COMPLETIONS**

(a) The multiple zone completion of any well may be approved only by order of the Commission upon notice and hearing, except as hereinafter provided.

(b) (This paragraph should recite the general types and relative position of reservoirs and the type or types of mechanical installations which may be approved).

(c) Application for approval of a multiple completion shall be filed on Form No. \_\_\_\_\_, "Application for Multiple Completion". The application shall be accompanied by the following:

1. Electrical log or other acceptable log with tops and bottoms of producing zones and perforated intervals shown and marked.
2. Packer Setting Report - Form No. \_\_\_\_\_.
3. Diagrammatic Sketch of Multiple Completion Installation.
4. Packer Leakage Test.
5. 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.
6. Waivers consenting to such multiple completion from each offset operator, or in lieu thereof, copies of letters requesting such waivers.

Concurrent with the filing of the application with the Commission, a copy of the application shall be forwarded by registered mail to each operator of a lease offsetting applicant's lease.

(d) The first application for approval of a multiple completion between two or more zones or reservoirs in each field may be ratified only by order of the Commission after notice and hearing. If, as a result of such hearing, the Commission shall authorize the multiple completion involving certain specific zones or reservoirs in a field, the Commission shall add such zones or reservoirs in said field to a list of zones or reservoirs in specific fields throughout the state approved for multiple completion. Subsequent applications for multiple completion of the same zones or reservoirs in the same fields may be approved administratively without the necessity of a hearing, under the following conditions:

Upon receipt of the application, with attachments as provided in (c) above, the Commission will first determine if the zones or reservoirs to be multiply completed were theretofore approved for multiple completion. If so, the Commission will hold such application for ten (10) days. If within said 10 day period any offset operator, reciting reasonable cause, shall file in writing with the Commission a protest to such multiple completion, or if the Commission is not in accord with the application, the matter shall be set down for hearing on the Commission's docket. If no such protests to such multiple completion are offered by either an offset operator or the Commission within said 10 day period, the application shall be approved and appropriate ratification issued by the Commission.

(e) With respect to a multiple completed well, the allowable of one zone, or reservoir, specified by the operator, shall become effective on the date of completion, or the first day of the calendar month, the same as if said well were singly completed in the specified reservoir. Allowables of additional zones or reservoirs shall become effective at 7:00 a.m. on the date on which the Commission issues its order or otherwise ratifies the multiple completion of the well.

(f) Every multiple completed well shall be so equipped, operated, produced, and maintained that there will be no commingling of the production from said formations. Upon request by the authorized agent of the Commission, any multiple completed well shall be tested at any time to demonstrate the effectiveness of the separation of sources of supply, such tests to be witnessed by representatives of the Commission and by offset operators if desired.

**OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO**

**BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO**

Field Name \_\_\_\_\_ County \_\_\_\_\_ Date \_\_\_\_\_  
EXHIBIT No. 2  
CASE 1443  
Operator \_\_\_\_\_ Lease \_\_\_\_\_ Well No. \_\_\_\_\_  
Location of Well Unit Letter \_\_\_\_\_ Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_

1. Have the reservoirs herein requested to be used for multiple completion heretofore been approved for multiple completion by the NMOCC after notice and hearing? (Yes or No) \_\_\_\_\_
2. Identify one instance (operator, lease, well number) wherein the \_\_\_\_\_ granted multiple completion involving these same reservoirs in this field: \_\_\_\_\_

3. The following facts are submitted:

a. Name of reservoir

b. Top and bottom of pay section (perforations)

c. Type of production (Oil or Gas)

d. Method of Production (Fig. or Art. Lift)

Upper Zone	Intermediate Zone	Lower Zone

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

\_\_\_\_\_ a. Electrical log or other acceptable log with tops and bottoms of producing zones and perforated intervals shown and marked.

OK b. ~~Packer Setting Report.~~

\_\_\_\_\_ c. Diagrammatic Sketch of Multiple Completion Installation.

OK d. ~~Packer Leakage Test.~~

\_\_\_\_\_ e. 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 off-setting applicant's lease.

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

6. \_\_\_\_\_ The operators listed in Item 5 above have been notified and furnished a copy of this application. (Yes or No)

Date furnished \_\_\_\_\_

7. \_\_\_\_\_ Waivers consenting to such multiple completion from each of the above offset operators attached. (Yes or No)

8. \_\_\_\_\_ from \_\_\_\_\_

CERTIFICATE: I, the undersigned, state that I am the \_\_\_\_\_ of the \_\_\_\_\_ (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

Should all necessary waivers not accompany application, the New Mexico Oil Conservation Commission shall hold such application for a period of ten (10) days from date of receipt in \_\_\_\_\_ If, after said ten day period, no protest or request for hearing is received in the \_\_\_\_\_, the application will then be processed.

**BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO**  
EXHIBIT No. 2  
CASE 1443

Name of Regulatory Body _____
Application for Multiple Completion
Form No. P-3
Authorized by Order No. _____
Effective _____, 19____

# DIAGRAMMATIC SKETCH SHOWING MULTIPLE COMPLETION INSTALLATION

Date: \_\_\_\_\_

Field: \_\_\_\_\_

County: \_\_\_\_\_

Operator: \_\_\_\_\_

Lease: \_\_\_\_\_

Well No.: \_\_\_\_\_

Well Location: \_\_\_\_\_

Top at \_\_\_\_\_ feet

UPPER Name: \_\_\_\_\_

ZONE Completion this Zone:

Bottom at \_\_\_\_\_ feet

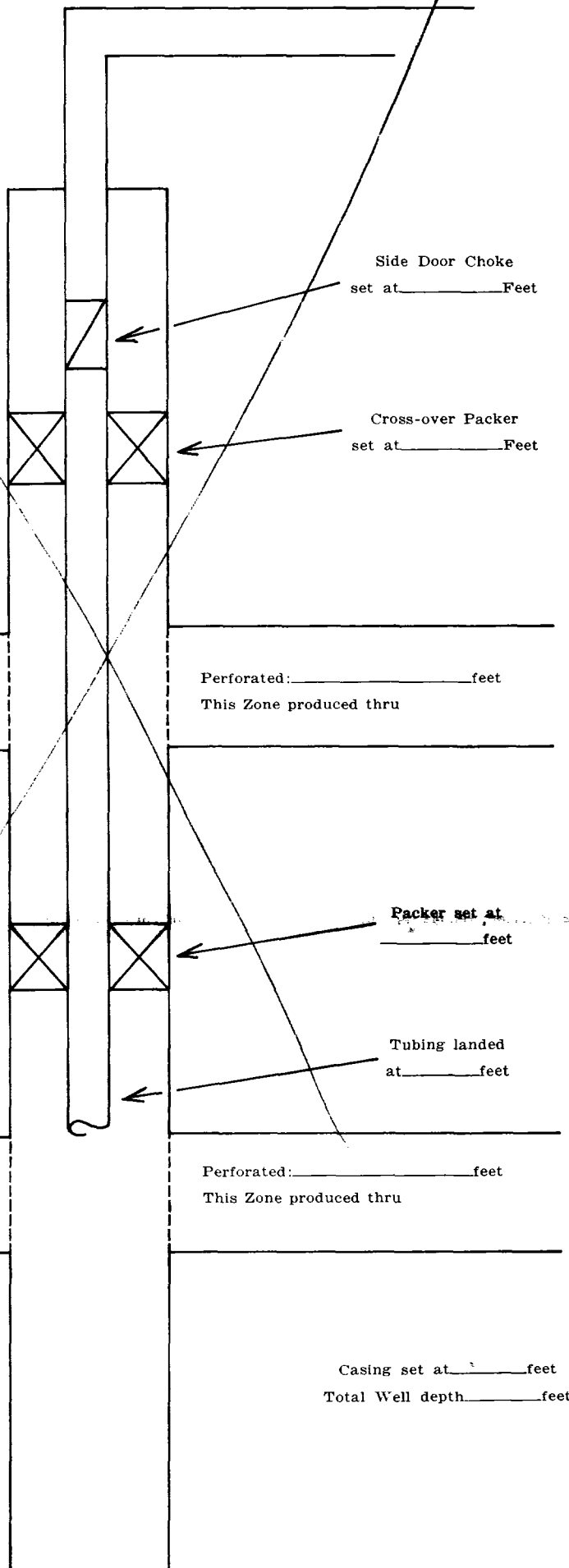
Top at \_\_\_\_\_ feet

LOWER Name: \_\_\_\_\_

ZONE Completion this Zone:

Bottom at \_\_\_\_\_ feet

Note: This form is furnished only as an example. The diagrammatic sketch which is filed should depict the particular installation for which approval is being requested.



BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

# PACKER SETTING REPORT

EXHIBIT No. 3

1443

CASE

I, \_\_\_\_\_, being of lawful age and having full knowledge of the facts hereinbelow set out do state:  
Name of party making affidavit

That I am employed by \_\_\_\_\_ in the capacity of \_\_\_\_\_

that on \_\_\_\_\_, 19\_\_\_\_ I personally supervised the setting of a \_\_\_\_\_

Make & type of packer

in \_\_\_\_\_  
Operator of well Lease name

Well no. \_\_\_\_\_ located in the \_\_\_\_\_ field, \_\_\_\_\_

county, state of \_\_\_\_\_, at a subsurface depth of \_\_\_\_\_ feet,

said depth measurement having been furnished me by \_\_\_\_\_ ;

That the purpose of setting this packer was to effect a seal in the annular space between two strings of pipe where the packer was set so as to prevent the commingling, in the bore of this well, of fluids produced from a stratum below the packer with fluids produced from a stratum above the packer; that this packer was properly set and that it did, when set, effectively and absolutely seal off the annular space between the two strings of pipe where it was set in such manner as that it prevented any movement of fluids across the packer.

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
EXHIBIT No. 3  
CASE 1443

Executed this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

State of \_\_\_\_\_  
County of \_\_\_\_\_

Signature of Affiant

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_ known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states, that he is duly authorized to make the above report and that he has knowledge of the facts stated therein, and that said report is true and correct.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

SEAL

My commission expires \_\_\_\_\_

Notary Public in and for \_\_\_\_\_

County, \_\_\_\_\_

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
EXHIBIT No. 3  
CASE 1443

Name of Regulatory Body \_\_\_\_\_

Packer Setting Report

Form No. P-4

Authorized by Order No. \_\_\_\_\_

Effective \_\_\_\_\_, 19\_\_\_\_

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

PACKER LEAKAGE TEST

Field No. CASE

EXHIBIT No. 1443

County \_\_\_\_\_

Operator \_\_\_\_\_ Address \_\_\_\_\_

Lease \_\_\_\_\_ Well Number \_\_\_\_\_ Location \_\_\_\_\_

TEST NO. 1

Well Shut In Date	Time	Completion Producing (Indicate Casing or Tubing)	Reservoir	Completion Shut In (Indicate Casing or Tubing)	Reservoir
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DATA ON PRODUCING COMPLETION

Stabilized Shut In Pressure Prior to Test (P.S.I.)	Producing Completion—Well Opened Date	Time	Choke Size (Inches)	Stabilized Flowing Pressure During Test (P.S.I.)
Time Required For Stabilization of Flowing Pressure (Hrs)		Stabilized Shut In Pressure At End of Test (P.S.I.)		Time Required For Obtaining This Stabilized Shut In Pressure (HRS)

DATA ON SHUT IN COMPLETION

Stabilized Shut In Pressure Prior To Test (P.S.I.)	Shut In Pressure During Test: Minimum (P.S.I.)	Maximum (P.S.I.)	Stabilized Shut In Pressure at the End of Test: (P.S.I.)
Length of Time Required For Obtaining Stabilized Pressure at End of Test (HRS.)		Maximum Pressure Change of Shut-In Completion During Test Increase (P.S.I.)      Decrease (P.S.I.)	

TEST NO. 2

Well Shut In Date	Time	Same Well-Bore as Test No. 1 But With: Completion Producing (Indicate Casing or Tubing)	And Completion Shut In (Indicate Casing or Tubing)
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DATA ON PRODUCING COMPLETION

Stabilized Shut in Pressure Prior to Test (P.S.I.)	Producing Completion—Well Opened: Date	Time	Choke Size (Inches)	Stabilized Flowing Pressure During Test (P.S.I.)
Time Required for Stabilization of Flowing Pressure (HRS)		Stabilized Shut in Pressure at End of Test (P.S.I.)		Time Required for Obtaining This Stabilized Shut In Pressure (HRS)

DATA ON SHUT IN COMPLETION

Stabilized Shut In Pressure Prior to Test (P.S.I.)	Shut In Pressure During Test: Minimum (P.S.I.)	Maximum (P.S.I.)	Stabilized Shut In Pressure At The End of Test (P.S.I.)
Length of Time Required For Obtaining Stabilized Pressure at End of Test (Hrs)		Maximum Pressure Change of Shut In Completion During Test: Increase (P.S.I.)      Decrease (P.S.I.)	
Class of Completion Testing, Whether Oil Well or Gas Well: Tubing      Casing			Was The <u>None</u> Notified of Test 24 Hours Prior to The Shut In of Both Completions At The Start of Test (Yes or No)

Executed this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

State of \_\_\_\_\_  
County of \_\_\_\_\_

Signature of Affiant \_\_\_\_\_

Before me, the undersigned authority, on this day personally appeared \_\_\_\_\_ known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states, that he is duly authorized to make the above report and that he has knowledge of the facts stated therein, and that said report is true and correct.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

SEAL

My commission expires \_\_\_\_\_

Notary Public in and for \_\_\_\_\_

County, \_\_\_\_\_

The undersigned representative of the \_\_\_\_\_ has  
(witnessed and/or checked) the foregoing test.

Representative \_\_\_\_\_

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
EXHIBIT No. 1443  
CASE 1443

Name of Regulatory Body \_\_\_\_\_  
Packer Leakage Test  
Form No. P-5  
Authorized by Order No. \_\_\_\_\_  
Effective \_\_\_\_\_, 19\_\_\_\_

## INSTRUCTIONS

1. Prior to beginning the test the well shall be shut-in a sufficient length of time to allow wellhead pressures to become stabilized and for a minimum of 2 hours thereafter.
2. During any test the rate of production for the well being produced shall not be less than the anticipated scheduled allowable for an oil well and shall not be less than the anticipated maximum daily withdrawal for a gas well.
3. For Test No. 1 the well shall be produced on one side with the other side shut-in until well head pressures have become stabilized and for a minimum of 2 hours thereafter.
4. In the case of artificial lift, or flowing completions that produce intermittently or by heads, or wells which produce in such a manner that wellhead pressures will not stabilize in 24 hours, the minimum producing or shut-in time allowed for stabilization shall be 24 hours.
5. Following Test No. 1 the well shall be shut-in until wellhead pressures have become stabilized and for a minimum of 2 hours thereafter.
6. Test No. 2, with the previously shut-in well flowing and the previously flowing well shut-in, shall be conducted exactly as outlined for Test No. 1 and shall be performed even though no leak was indicated by Test No. 1.
7. All pressures shall be measured with recording gauges and copies of the charts shall be submitted along with the Packer Leakage Test form. It is desirable that the accuracy of the recording gauges be checked with a dead weight test gauge.
8. If two strings of tubing used, indicate on face of form whether upper or lower tubing.
9. If this is a triple completion, attach additional sheet to show test No. 3.