BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE No. 1726 Order No. R-1464

APPLICATION OF AMERADA PETRO-LEUM CORPORATION FOR AN OIL-OIL DUAL COMPLETION IN THE BISTI-LOWER GALLUP OIL POOL AND IN AN INTERVAL DESIGNATED BY APPLICANT AS THE LOWER MANCOS SAND, SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 28, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this <u>day of August, 1959</u>, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz. and being fully advised in the premises,

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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 the applicant, Amerada Petroleum Corporation, is the owner of the Ka-Da-Fa Well No. 1, located 660 feet from the South line and 660 feet from the West line of Section 4, Township 25 North, Range 12 West, NMPM, San Juan County, New Mexico, which well is within the horizontal limits of Sunray Mid-Continent Oil Company's Central Bisti-Lower Gallup Sand Unit.

(3) That the applicant proposes to dually complete the said Ka-Da-Pa Well No. 1 in such a manner as to permit the production of oil from the Bisti-Lower Gallup Gil Pool and the production of oil from an interval between 4928 feet and 4936 feet designated by the applicant as the Lower Mancos sand through parallel strings of 2-1/16 inch hydril tubing. -2-Case No. 1726 Order No. R-1464

(4) That the applicant has failed to prove that the producing interval from 4928 feet to 4936 feet in the subject well is a separate common source of supply rather than a part of the Lower Gallup formation in the Bisti-Lower Gallup Oil Pool. Accordingly, approval of the subject application would impair correlative rights.

(3) That the subject well was originally perforated only in the 4928-4936 foot interval and was designated by the applicant as a Bisti-Lower Gallup Oil Pool well; further, that the applicant dedicated 80 acres to the subject well under the special rules and regulations for the Bisti-Lower Gallup Oil Pool.

(6) That the subject application should be denied.

1T 1J THEREFORE ORDERED:

That the application of Amerada Petroleum Corporation for permission to dually complete its Ka-Da-Pa Well No. 1, located 660 feet from the South line and 660 feet from the West line of Section 4, Fownship 25 North, Hange 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Bisti-Lower Gallup Oil Pool and the production of oil from an interval between 4923 feet and 4936 feet designated by the applicant as the Lower Mancos sand through parallel strings of 2-1/16 inch hydril tubing be and the same is hereby <u>denied</u>.

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



STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JOHN BURROUGHS, Chairman

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MURRAY E. MORGAN, Member

Member & Secretary 59.1

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BEFORE THE OIL CONSERVATION COMMISSION OF THE STATEOF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF AMERADA PETROLEUM CORPORATION TO DUAL COMPLETE THE AMERADA-KA DA PA NO. 1 WELL IN ORDER TO SEPARATELY PRODUCE THE BISTI LOWER GALLUP AND BISTI LOWER MANCOS, LOCATED IN THE SW/4 OF SECTION 4, TOWNSHIP 25 NORTH, RANGE 12 WEST, SAN JUAN COUNTY, NEW MEXICO

CASE NO.

APPLICATION

Comes now Amerada Petroleum Corporation and alleges and states the following:

1. Amerada is owner and operator of the Amerada-Ka Da Pa No. 1 Well located in the SW/4 of Section 4-25N-12W, San Juan County, New Mexico, and originally completed on September 27, 1956, in a zone here proposed to be designated as the Bisti Lower Mancos sand, top of which is located at 4910 feet;

2. In drilling said well there was encountered production in the Bisti Lower Gallup zone found at an interval between 4750 feet and 4882 feet, which is now being produced under special rules and regulations of the Bisti Lower Gallup oil pool, Order No. R-1069-B;

3. Applicant here seeks authority to dually complete said well in order to separately produce the Bisti Lower Mancos and Bisti Lower Gallup, each a separate source of supply;

4. Applicant can show that the dual completion here proposed is in the interest of conservation, and will prevent waste and protect correlative rights of owners in the pool.

WHEREFORE, Applicant requests this matter be set for hearing, that notice thereof be given as required by law and that upon hearing the evidence, this Commission enter its order authorizing the dual completion of the hereinabove well in the manner herein proposed.

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AMERADA PETROLEUM CORPORATION

KELLAHIN AND FOX

Jason W. Kellahin

Attorneys for Applicant