

NEW MEXICO OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

MEMORANDUM:

TO: ALL OPERATORS
FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR
SUBJECT: GAS-WELL TUBING REQUIREMENTS

Your attention is called to the provisions of Rule 107, sub-paragraphs d (2) and d (3), which require that all gas wells equipped with casing larger than 2-7/8 inch OD shall be tubed, and that the tubing shall be set as near the bottom as practical, and that the tubing perforations shall not be more than 250 feet above the top of the pay. It is recognized that many gas wells produce dry gas and that no liquid problem exists in said wells. Therefore, sub-paragraph d (4) of Rule 107 provides that the Secretary-Director of the Commission may, upon proper application, grant administrative exceptions to the above provisions, without notice and hearing, provided that waste will not be caused thereby.

It has been noted that many applications for administrative approval of dual completions involving annular flow of gas are not accompanied by satisfactory evidence that the annular flow is efficient and that no waste will be caused by such flow. This has often caused unnecessary delay in processing the application. Operators are therefore advised that applications for administrative approval of dual completions which do not utilize parallel strings of tubing or siphon strings should be accompanied by evidence that liquids do not constitute a threat to the efficient flow or testing of the well.

Witnesses appearing at hearings to obtain approval for such dual completions should also be prepared to present similar evidence.

Among the data which will normally be acceptable are satisfactory four-point back pressure tests, shut-in pressure build-up tests, gas-liquid ratio tests, bottom-hole sample analyses, etc.

December 15, 1959

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NEW MEXICO OIL CONSERVATION COMMISSION

PROPOSED RULE

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RULE 303. SEGREGATION OF PRODUCTION FROM POOLS

(a) Each pool shall be produced as a single common source of supply and the wells therein shall be completed, cased, maintained, and operated so as to prevent communication within the well bore with any other specific pool, and the production therefrom shall at all times be actually segregated and the commingling or confusion of such production, before marketing, with the production from any other pool or pools is strictly prohibited.

(b) The Secretary-Director of the Commission shall have the authority to grant an exception to Rule 303 (a) to permit the commingling in common facilities of the commonly owned production from two or more common sources of supply, provided that the production from each common source of supply shall be accurately measured and determined prior to such commingling; and provided further that the actual commercial value of such commingled production will not be less than the sum of the values of the production from each separate common source of supply.

Applications for administrative approval to so commingle the production from two or more common sources of supply shall be filed in triplicate with the Santa Fe office of the Commission. Applicant shall furnish the Commission with detailed data as to the gravities of the hydrocarbons, the values thereof, and the volumes of the hydrocarbons from each pool, as well as the expected gravity and value of the commingled production; a schematic diagram of the installation; a plat showing the location of all wells on the applicant's lease and the pool from which they are producing. Applicant shall also furnish evidence that all offsetting operators as well as those persons owning royalty interests in the subject acreage have been notified of the application to commingle and furnished a complete copy of the application.

The Secretary-Director may approve the commingling if, after a period of 20 days following receipt of the application, no person owning a royalty interest in the subject acreage or offset operators has objected.

NOTE: Underlined portions represent Socony Mobil Company's recommended additions to the proposed rule.