

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

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

JAN 18 1983

O. C. D.
ARTESIA, OFFICE

CASE NO. 7658
Order No. R-7112

APPLICATION OF HARVEY E. YATES
COMPANY FOR A DUAL COMPLETION AND
DOWNHOLE COMMINGLING, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 22, 1982, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 19th day of October, 1982, the Commission, a quorum being present, having considered the testimony, the record, and the exhibits, and being fully advised in the premises,

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, Harvey E. Yates Company, seeks authority to complete its Seymour State Com Well No. 1, located in Unit E of Section 18, Township 9 South, Range 27 East, NMPM, Chaves County, New Mexico, as a dual completion (conventional) to produce gas from undesignated Abo and Atoka pools.
- (3) That the Abo formation in said well was perforated in the interval from 4912 feet to 4929 feet and the Atoka formation from 5926 feet to 5934 feet, from 5944 feet to 5952 feet, from 6008 feet to 6016 feet, from 6026 feet to 6028 feet, and from 6043 feet to 6048 feet.
- (4) That the packer used to separate zones in said well was set at 5972 feet.

(5) That the Abo formation perforations (4912 feet to 4929 feet) and the Upper Atoka formation perforations (5926 feet to 5934 feet and 5944 feet to 5952 feet) in said well are exposed in the same common annular space.

(6) That based on the high pressures necessary to effectively treat the Atoka formation, applicant alleges the the Upper Atoka formation perforations in said well (5926 feet to 5934 feet and 5944 feet to 5952 feet) are not productive and would not act as a thief zone for production from the Abo formation.

(7) That commingling between the Abo and Atoka formations should not be permitted in said well.

(8) That a temperature survey and a noise log should indicate whether or not the two Upper Atoka perforated intervals in said well are productive of hydrocarbons, or would act as a thief zone for production from the Abo.

(9) That if said test establish that two Upper Atoka perforated intervals in said well are not productive of hydrocarbons and would not act as a thief zone for production from the Abo formation, the dual completion should be approved as proposed, and the Division Director should have authority to approve the downhole commingling of the Abo perforations and the uppermost two sets of Atoka perforations in the same common annular space of the subject well.

(10) That if the two Upper Atoka perforated intervals in said well are productive, or act as a thief zone for production from the Abo formation, the packer should be reset below the Abo perforated interval and above the two Upper Atoka perforated intervals.

(11) That the portion of this case which refers to downhole commingling should be denied.

(12) That approval of the subject application, as conditioned, will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Harvey E. Yates Company, is hereby authorized to complete its Seymour State Com Well No. 1, located in Unit E of Section 18, Township 9 South, Range 27 East, NMPM, Chaves County, New Mexico, as a dual completion (conventional) to produce gas from an undesignated Abo gas pool and gas from an undesignated Atoka gas pool through parallel strings of tubing.

PROVIDED HOWEVER, that the applicant, after the said well has produced for 30 days into a pipeline, shall cause a temperature survey and a noise log to be run in the well under the supervision of the Artesia district office of the Division.

PROVIDED FURTHER, that should the above tests indicate production from the two Upper Atoka perforated intervals or crossflow between the Abo formation and the Atoka formation, the packer in said well shall be reset so as to isolate the Abo and Atoka formations from each other.

PROVIDED FURTHER, that should said tests establish that the aforesaid Upper Atoka perforated intervals are non-productive and that there is no crossflow between the Abo formation and the Atoka formation, the Division Director is hereby authorized to approve the downhole commingling of said Abo perforations and the uppermost two sets of Atoka perforations in the same common annular space of the subject well.

PROVIDED FURTHER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for the Atoka pool.

(2) That that portion of this case relating to downhole commingling of Abo and Atoka production in the subject well is hereby denied.

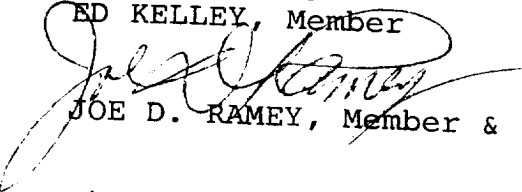
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

ALEX J. ARMIJO, Member


ED KELLEY, Member


JOE D. RAMEY, Member & Secretary

S E A L
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