

Entered October 10, 1979

JLR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6646
Order No. R-6130

APPLICATION OF BELCO PETROLEUM
CORPORATION FOR APPROVAL OF INFILL
DRILLING AND SIMULTANEOUS DEDICATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 5, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of October, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Belco Petroleum Corporation, seeks a finding that the drilling of a well to be located in Unit H of Section 1, Township 23 South, Range 30 East, NMPM, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico, is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by the existing well.
- (3) That the applicant further seeks approval of a waiver of existing well-spacing requirements and simultaneous dedication.
- (4) That the standard spacing unit in the Los Medanos-Morrow Gas Pool is 320 acres.
- (5) That Belco Petroleum Corporation is the operator of a 320-acre standard proration unit consisting of the E/2 of said Section 1 in the Los Medanos-Morrow Gas Pool.

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(6) That said 320-acre proration unit is dedicated to applicant's James Ranch Unit Well No. 3 located in Unit J of said Section 1.

(7) That the evidence presented demonstrated that said James Ranch Unit Well No. 3 cannot effectively and efficiently drain said 320-acre proration unit.

(8) That the evidence presented further demonstrated that the drilling and completion of applicant's said new well should result in production in excess of 1 billion additional cubic feet of gas from said proration unit which would not otherwise be recovered from the proration unit.

(9) That such additional recovery will result in said unit being more efficiently and economically drained.

(10) That said new well is to be drilled as an "infill" well on the existing 320-acre standard proration unit.

(11) That in order to permit the drainage of a portion of the reservoir covered by said 320-acre standard proration unit which cannot be effectively and efficiently drained by the existing well thereon, the subject application for infill drilling and simultaneous dedication should be approved as an exception to the standard well spacing requirements for said Los Medanos-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That the applicant, Belco Petroleum Corporation, is hereby authorized to drill a well to be located in Unit H of Section 1, Township 23 South, Range 30 East, NMPM, as an infill well on an existing 320-acre standard proration unit being the E/2 of said Section 1, Los Medanos-Morrow Gas Pool, Eddy County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by the existing 320-acre proration unit which cannot efficiently and economically be drained by any existing well thereon.

(2) That said proration unit shall be simultaneously dedicated to applicant's proposed new well and to its James Ranch Unit Well No. 3 located in Unit J of said Section 1.

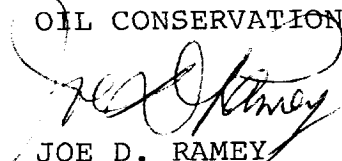
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(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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