

Entered January 19, 1981

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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7088
Order No. R-6175-A

APPLICATION OF SOUTHERN UNION
EXPLORATION COMPANY FOR RECON-
SIDERATION OF ORDER NO. R-6175,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 18, 1980, 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 January, 1981, the Commission, a quorum being present, having considered the testimony and the record in this case and in Case No. 6703 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, Southern Union Exploration Company, owns an oil and gas lease covering the E/2 of Section 32, Township 25 South, Range 24 East, NMPM, Eddy County, New Mexico.
- (3) That said E/2 of Section 32 was declared to be within the El Paso Natural Gas Company Washington Ranch Gas Storage Project by Order No. R-6175 of the New Mexico Oil Conservation Division in Case No. 6703.
- (4) That the said Order No. R-6175 was not intended to prevent the applicant from drilling to or through and producing from the Morrow formation underlying the E/2 of Section 32.
- (5) That the Morrow formation underlying the E/2 of Section 32, Township 25 South, Range 24 East, Eddy County, New Mexico,

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is not within the Washington Ranch-Morrow Gas Pool created by Oil Conservation Commission Order No. R-4279, and thereafter expanded by Orders Nos. R-4377, R-4437, R-4734 and R-4782, and that there is no substantial evidence before the Commission to indicate that the E/2 of Section 32 is within said pool.

(6) That there is no substantial evidence before the Commission of pressure communication or pressure connection between the Morrow formation underlying the E/2 of Section 32 and the structural feature within which El Paso Natural Gas Company proposes to store gas in its Washington Ranch Gas Storage Project.

(7) That there is no substantial evidence before the Commission that completing and producing an oil and gas well in the Morrow or any other formation underlying the E/2 of Section 32 will cause or result in underground waste, the escape of gas from the Washington Ranch Gas Storage Project, or any other undesirable condition.

(8) That the special drilling and casing requirements imposed by Order No. R-6175 are not necessary to protect the Washington Ranch Gas Storage Project from any consequences of a well drilled, completed and produced in the E/2 of Section 32.

(9) That the E/2 of Section 32 is not needed for the Washington Ranch Gas Storage Project, and Order No. R-6175 should be amended to delete said lands from said project.

IT IS THEREFORE ORDERED:

(1) That Ordering Paragraph No. 1 of Oil Conservation Division Order No. R-6175 is hereby amended by deleting therefrom any reference therein to the E/2 of Section 32, Township 25 South, Range 24 East, NMPM, Eddy County, New Mexico, and said Order shall have no force or effect with respect to said E/2 of Section 32.

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

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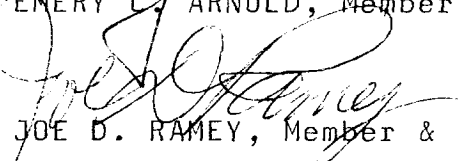
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

ALEX J. ARMIJO, Member


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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