

Entered June 8, 1984
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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
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8177
Order No. R-7552

APPLICATION OF ROBERT N. ENFIELD FOR AN
UNORTHODOX GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 9, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 8th day of June, 1984, 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, Robert N. Enfield, seeks approval of an unorthodox gas well location 660 feet from the South line and 330 feet from the East line of Section 18, Township 21 South, Range 23 East, NMPM, Indian Basin-Upper Pennsylvanian Gas Pool, NMPM, to test the Pennsylvanian formation, Eddy County, New Mexico.
- (3) That All of said Section 18 is to be dedicated to the well.
- (4) That said Section 18 is unorthodox, contains only 574.04 acres, and has a pool acreage factor of 0.897.
- (5) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (6) That an offsetting owner with interests in the Indian Basin-Upper Pennsylvanian Gas Pool in Sections 19 and 20 of

Township 21 South, Range 23 East, NMPM, Eddy County, New Mexico, has objected to the proposed location.

(7) That a well at the proposed location is only 40 percent of the distance from the South line and 20 percent of the distance from the East line of said Section 18 as a well at the closest standard location for said pool as provided by the special pool rules.

(8) That based upon 640 acre drainage, a well at the proposed unorthodox location will have a calculated area of drainage in the Upper Pennsylvanian formation which extends 213 net acres outside said Section 18 more than a well located at the nearest standard location.

(9) That based upon the calculations in Finding No. 8 above, a well at the unorthodox location would be draining only 67 percent of its production from the area to be drained by a well at the nearest standard location in said Section 18.

(10) That to offset the advantage gained over the protesting offset operator, production from the well at the proposed unorthodox location should be limited from the Upper Pennsylvanian formation.

(11) That such limitation should be based upon the well's acreage factor, the variation of the location from a standard location, and the 213 net-acre drainage encroachment described in Finding No. (8) and No. (9) above, and may best be accomplished by assigning a well at the proposed location an acreage factor of 0.38 (acreage factor of 0.897 times the result of averaging the 40 percent North/South location factor plus the 20 percent East/West location factor plus the 67 percent net-acreage factor) or:

$$0.38AF = 0.8970 \quad \frac{0.40 + 0.20 + 0.67}{3}$$

(12) That approval of this application subject to the above limitation will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Robert N. Enfield for an unorthodox gas well location for the Pennsylvanian formation

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is hereby approved for a well to be located at a point 660 feet from the South line and 330 feet from the East line of Section 18, Township 21 South, Range 23 East, NMPPM, Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.

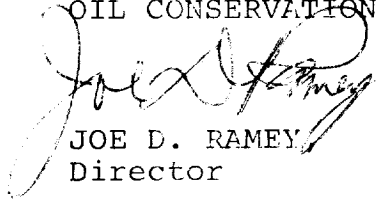
(2) That All of said Section 18 shall be dedicated to the above-described well.

(3) That said well is hereby assigned an acreage factor of 0.38 in the Upper Pennsylvanian formation.

(4) 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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