

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 10900
ORDER NO. R-9935-A

**APPLICATION OF H.L. BROWN JR. TO AMEND DIVISION ORDER NO. R-9935
TO APPROVE AN UNORTHODOX GAS WELL LOCATION, ROOSEVELT
COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15a.m. on February 3, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

Now, on this 15th day of February, 1994, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, H.L. Brown Jr., seeks to amend Division Order No. R-9935, which authorized the applicant to drill his Federal No. 27-2 Well at an unorthodox oil well location in the Devonian formation, to now authorize applicant to produce said well from the Bluitt-Wolfcamp Gas Pool, the top of said Wolfcamp formation in this well being an unorthodox gas well location of 2618 feet from the North line and 396 feet from the West line (Unit E), Section 27, Township 7 South, Range 37 East, NMPM, Roosevelt County, New Mexico. The W/2 of said Section 27 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

(3) The applicant drilled his Federal No. 27-2 Well and tested the Devonian, but was unable to establish economic production in that formation.

(4) Said well was completed in the Bluitt-Wolfcamp Gas Pool on January 5, 1994. Applicant's witness testified that the calculated open flow potential was 1,556 MCF gas per day with 22 bbls. of condensate. On a recent test the well produced 320 MCF gas with 2 bbls. of condensate.

(5) Applicant's Exhibit No. 3, which is based on directional survey information, shows that the down hole location of the well at the top of the Wolfcamp Formation is 2618 feet from the North line and 396 feet from the West line of said Section 27.

(6) A structure map and a cross-section submitted by the applicant show that the subject well is located in the North Pod of the Bluitt-Wolfcamp Pool structure.

(7) Spacing Rules for the Bluitt-Wolfcamp Gas Pool provide for 320-acre gas spacing and proration units and that wells shall be located not closer than 660 feet from the nearest side boundary nor closer than 1980 feet from the nearest end boundary nor closer than 330 feet to any quarter-quarter section boundary.

(8) Documents submitted by the applicant at the hearing show that offset operators were properly notified. No offset operator or interest owner appeared at the hearing in opposition to the application.

(9) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the hydrocarbons in the affected pool and will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

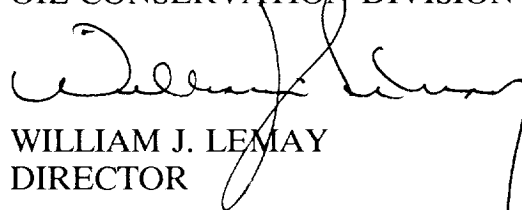
(1) The applicant, H.L. Brown Jr., is hereby authorized to produce his Federal No. 27-2 Well from the Bluitt-Wolfcamp Gas Pool, the top of said Wolfcamp formation in this well being an unorthodox gas well location of 2618 feet from the North line and 396 feet from the West line (Unit E), Section 27, Township 7 South, Range 37 East, NMPM, Roosevelt County New Mexico.

(2) The W/2 of said Section 27 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

(3) 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

A handwritten signature in black ink, appearing to read "William J. Lemay", is written over the printed name and title.

WILLIAM J. LEMAY
DIRECTOR

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