

**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. 11191
Order No. R-10368**

**APPLICATION OF GREAT WESTERN
DRILLING COMPANY FOR AN
UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 4, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 12th day of May, 1995, 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, Great Western Drilling Company, seeks approval for an unorthodox gas well location for its existing Glenn Cleveland Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 7, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico, in order to test and recomplete this well in the Morrow formation.

(3) The applicant proposes to dedicate the E/2 of Section 7 to the subject well forming a standard 320-acre gas spacing and proration unit.

(4) The evidence presented indicates that the subject well was drilled in 1982 as a Strawn test to a total depth of 13,036 feet. Subsequent to completion of drilling operations, the well tested non-productive in the Strawn and tested at a rate of approximately 200 MCF gas per day in the Morrow formation. The well was subsequently completed in the Wolfcamp formation.

(5) The well cumulatively produced approximately 29,000 barrels of oil from the Morton-Wolfcamp Pool prior to being temporarily abandoned in July, 1991.

(6) The applicant has recently recompleted the Glenn Cleveland Well No. 1 to the Morrow formation. As of the date of the hearing applicant estimates that the Morrow should be capable of producing at a rate of approximately 300 MCF gas per day.

(7) According to Division nomenclature records, the Glenn Cleveland Well No. 1 is located approximately 1.75 miles northeast of the Morton-Morrow Gas Pool. At the time of the hearing the applicant requested that the subject well be placed within this pool.

(8) The Morton-Morrow Gas Pool is currently governed by Statewide Rules and Regulations which require standard 320-acre spacing and proration units with wells to be located no closer than 1980 feet from the end boundary nor closer than 660 feet from the side boundary nor closer than 330 feet from any quarter-quarter section line or subdivision inner boundary.

(9) Applicant testified that due to the discontinuous nature of the Morrow formation in this area, it is unlikely that Morrow production offsetting the proposed spacing unit will be encountered.

(10) The affected offset leasehold owners in the N/2 of Section 18, Township 15 South, Range 35 East, NMPM, are Chevron USA Inc., Yates Petroleum Corporation and Texaco Exploration & Production Inc.

(11) The affected offset operator in the W/2 of Section 7 is J. M. Huber Corporation.

(12) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

(13) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Morrow formation underlying the E/2 of Section 7, 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.

(14) The applicant should consult with the Division's District Geologist in Hobbs in order to determine the proper pool placement of the Glenn Cleveland Well No. 1 with respect to the Morrow formation.

IT IS THEREFORE ORDERED THAT:

(1) The application of Great Western Drilling Company for approval of an unorthodox Morrow gas well location for its existing Glenn Cleveland Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 7, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico, is hereby approved.


(2) The E/2 of Section 7 shall be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit in the Morrow formation.

(3) Subsequent to the entry of this order, the applicant shall consult with the Division's District Geologist in Hobbs in order to determine the proper pool placement of the Glenn Cleveland Well No. 1 with respect to the Morrow formation.

(4) Jurisdiction is hereby 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



WILLIAM J. LEMAY
Director

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