

Entered April 7, 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  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 7208  
Order No. R-2429-C

APPLICATION OF GULF OIL CORPORATION  
FOR THE AMENDMENT OF POOL RULES,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 25, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of April, 1981, 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 by Order No. R-2429-A, entered March 27, 1963, in Case No. 2737, the Division promulgated special pool rules for the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, including a provision for 640-acre well spacing and proration units and specified well locations.

(3) That by Order No. R-2429-B, entered April 13, 1964, the Division continued said special pool rules in full force and effect until further order of the Division.

(4) That the applicant in the instant case, Gulf Oil Corporation, seeks the amendment of the special pool rules for the spacing and location of wells in the White City-Pennsylvanian Gas Pool, and seeks to have said pool governed by the provisions of Rule 104 C II(a) of the Division Rules and Regulations for gas pools of Pennsylvanian age, with respect to acreage dedication, but with certain specified locations for wells in said pool.



(5) That the evidence in this case indicates that the wells in the White City-Pennsylvanian Gas Pool are not draining 640 acres as it had been thought that they would, but that in fact the average well in the pool is draining only 257 acres.

(6) That although the Strawn, Atoka, and Morrow zones of the Pennsylvanian all produce gas in the subject pool, production from the pool is mostly from the many separate pay stringers in the Morrow zone which vary greatly in areal extent and in permeability, porosity, and thickness, both within individual stringers and between stringers.

(7) That due to the variation in the areal extent and in permeability, porosity, and thickness of the stringers, there is considerable variation in the amount of original gas in place tapped by the various wells completed in the subject pool, and also in the percent of such original gas in place under each well which may be expected to be recovered by the well.

(8) That due to the variation in the areal extent and in permeability, porosity, and thickness of the stringers in the Pennsylvanian formation in the subject pool, the existing wells (drilled on 640-acre spacing and proration units) are not believed to have encountered many of the smaller stringers in the reservoir, nor are they expected in all cases to effectively and efficiently drain the stringers which they have tapped.

(9) That to reduce the size of the spacing and proration units in the subject pool from 640 acres to 320 acres would result in numerous additional wells being drilled in the pool, and would greatly enhance the chances of tapping all of the productive stringers in the reservoir, and could also improve the drainage of gas from stringers previously tapped by existing wells.

(10) That the wells presently completed in the White City-Pennsylvanian Gas Pool are not effectively and efficiently draining the 640-acre spacing and proration units assigned to them, but if 320-acre spacing and proration units are adopted for said pool, the wells in the pool should more effectively and efficiently drain the spacing and proration units assigned to them.

(11) That according to the evidence submitted in this case, approximately 1.48 billion cubic feet of additional gas may be expected to be recovered by each additional well drilled as the result of amending the existing pool rules and developing the White City-Pennsylvanian Gas Pool on 320-acre well spacing and proration units.



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Case No. 7208

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(12) That the amendment of the Special Pool Rules for the White City-Pennsylvanian Gas Pool as promulgated by Division Orders Nos. R-2429-A and R-2429-B is in the public interest and will not cause but will prevent waste, and will not impair but will protect correlative rights.

(13) That the vertical limits of the White City-Pennsylvanian Gas Pool comprise the Pennsylvanian formation and the horizontal limits comprise the following described lands in Eddy County, New Mexico:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM

Sections 8 and 9: All  
Sections 14 through 17: All  
Sections 19 through 22: All  
Sections 28 through 30: All  
Sections 32 through 35: All

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM

Sections 1 through 4: All  
Sections 10 through 12: All

(14) That Rule 2 of the Special Rules and Regulations for the White City-Pennsylvanian Gas Pool should be amended to read in its entirety as follows:

"RULE 2. Each well completed or recompleted in the White City-Pennsylvanian Gas Pool shall be located on a standard unit containing 320 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental section."

(15) That Rule 4 of the Special Rules and Regulations for the White City-Pennsylvanian Gas Pool should be amended to read in its entirety as follows:

"RULE 4. Each well shall be located not closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1650 feet to the nearest end boundary nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary."

(16) That the effective date of this order and the provisions hereof should be April 1, 1981.



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Case No. 7208  
Order No. R-2429-C

IT IS THEREFORE ORDERED:

(1) That Rule 2 of the Special Rules and Regulations for the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, as promulgated by Division Orders Nos. R-2429-A and R-2429-B, is hereby amended to read in its entirety as follows:

"RULE 2. Each well completed or recompleted in the White City-Pennsylvanian Gas Pool shall be located on a standard unit containing 320 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental section."

(2) That Rule 4 of said Special Rules and Regulations is hereby amended to read in its entirety as follows:

"RULE 4. Each well shall be located not closer than 660 feet to the nearest side boundary of the dedicated tract nor closer than 1650 feet to the nearest end boundary nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary."

(3) That the locations of all wells drilled and completed in the White City-Pennsylvanian Gas Pool are hereby approved.

(4) That the operator of each well in the White City-Pennsylvanian Gas Pool shall have until May 1, 1981, to file with the Artesia District Office of the Division new Forms C-102, Well Location and Acreage Dedication Plat, for each of his wells, showing thereon the location of the well and the acreage dedicated thereto pursuant to this order. Failure to so file such plats will subject the well to cancellation of allowable.

(5) That this order shall become effective at 7:00 o'clock a.m. on April 1, 1981, and shall apply to the White City-Pennsylvanian Gas Pool as described in Finding No. 13 above and as it may be subsequently extended by the Division, and to the Pennsylvanian formation within one mile of said pool.

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

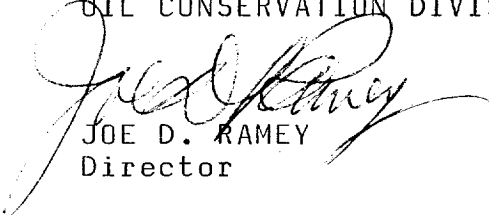




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DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY  
Director

S E A L

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Entered April 30, 1981  
*JDR*

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 7208  
Order No. R-2429-C-1

APPLICATION OF GULF OIL CORPORATION  
FOR THE AMENDMENT OF POOL RULES,  
EDDY COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-2429-C,  
dated April 7, 1981, does not correctly state the intended  
order of the Division,

IT IS THEREFORE ORDERED:

(1) That Finding No. (13) on page 3 of Order No. R-2429-C  
is hereby amended to read in its entirety as follows:

"(13) That the vertical limits of the White City-  
Pennsylvanian Gas Pool comprise the Pennsylvanian formation  
and the horizontal limits comprise the following described  
lands in Eddy County, New Mexico:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM

Sections 8 and 9: All  
Sections 15 through 17: All  
Sections 19 through 22: All  
Sections 28 through 30: All  
Sections 32 through 35: All

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM

Sections 1 through 4: All  
Sections 10 through 12: All"

(2) That this order shall be effective nunc pro tunc as  
of April 7, 1981.

DONE at Santa Fe, New Mexico, on this 30th day of April,  
1981.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

S E A L  
fd/

