

Lea County May 23 1975
A.L.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5474
Order No. R-5030

APPLICATION OF GULF OIL COMPANY
FOR TWO NON-STANDARD LOCATIONS
AND THE AMENDMENT OF ORDERS
NOS. R-2904 AND R-2909, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 14, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1975, the Commission, a
quorum being present, 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 Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That Gulf Oil Company is the operator of the Central
Drinkard Unit, Drinkard Pool, Lea County, New Mexico, which
unit is governed by the Central Drinkard Unit Agreement which
was approved by the Commission by Order No. R-2904, dated May
6, 1965.

(3) That pursuant to Commission Order No. R-2909, dated
May 10, 1965, and certain other orders, the applicant is con-
ducting secondary recovery operations within said Central
Drinkard Unit Area.

(4) That the unitized interval for said Central Drinkard
Unit Area was defined in the original Central Drinkard Unit
Agreement as being from 6440 feet to 6590 feet as found on the
log of the Gulf Oil Corporation J. N. Carson Well No. 7,
located 810 feet from the North line and 2180 feet from the East
line of Section 33, Township 21 South, Range 37 East, NMPM,
Lea County, New Mexico.

(5) That the applicant seeks the amendment of the Central Drinkard Unit Agreement to change the unitized interval for said Central Drinkard Unit Area to be from 6330 feet to 6590 feet as found on the log of the aforesaid J. N. Carson Well No. 7.

(6) That the applicant further seeks approval for the unorthodox location of two wells in the Drinkard Pool underlying said Central Drinkard Unit, said wells being Unit Well No. 101 located 554 feet from the North line and 766 feet from the East line, and Unit Well No. 401 located 660 feet from the North line and 660 feet from the East line, both in Section 28, Township 21 South, Range 37 East, NMPM.

(7) That the applicant further seeks the amendment of Order No. R-2909, which authorized the secondary recovery project in said Central Drinkard Unit Area, to provide for the administrative approval of additional wells at unorthodox locations in said unit area.

(8) That the necessity for the amendment of the unitized interval of the Central Drinkard Unit, the location of the two wells described in Finding No. (6) above, and the establishment of the administrative procedure described in Finding No. (7) above is occasioned by development of the Upper Drinkard gas pay in wells offsetting the Central Drinkard Unit Area.

(9) That to protect the said unit area from drainage by offsetting wells, the applicant, as unit operator, must complete gas wells in the Upper Drinkard gas pay on the same 40-acre tract as existing wells in the Lower Drinkard oil pay which are part of the Lower Drinkard Waterflood Project.

(10) That approval of the amendment of the vertical limits of the unitized interval of the Central Drinkard Unit, the two above-described non-standard locations, and the aforesaid administrative procedure is in the interest of the protection of correlative rights and the prevention of waste, and should be approved, provided that the gas production from any 40-acre tract should be limited to top unit allowable for the Drinkard Pool times the limiting gas-oil ratio for the pool.

IT IS THEREFORE ORDERED:

(1) That the vertical limits of the unitized interval of the Central Drinkard Unit Area are hereby amended to be from 6330 feet to 6590 feet as found on the log of the Gulf Oil Corporation J. N. Carson Well No. 7, located 810 feet from the North line and 2180 feet from the East line of Section 33, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, subject to like approval by the Commissioner of Public Lands for the State of New Mexico.

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(2) That the applicant, Gulf Oil Company, is hereby authorized to complete the following wells in the Drinkard Pool at the following non-standard locations in Section 28, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico:

Central Drinkard Unit Well No. 101, located 554 feet from the North line and 766 feet from the East line; and

Central Drinkard Unit Well No. 401, located 660 feet from the North line and 660 feet from the East line.

PROVIDED HOWEVER, that the 40-acre tract upon which said wells are located shall have a limited casinghead gas allowable determined by multiplying top unit allowable for the Drinkard Pool by the gas-oil ratio limitation for said pool.

(3) That Order (1) of Commission Order No. R-2909, is hereby amended by the addition of the following:

"PROVIDED HOWEVER, that the Secretary-Director of the Commission is hereby authorized to approve such additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Central Drinkard Unit Area as may be necessary to complete an efficient production and injection pattern, and to protect the unit from drainage, provided said wells are drilled no closer than 330 feet to the outer boundary of the unit area nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided further, that no 40-acre tract shall be permitted to produce more gas than the amount obtained by multiplying top unit allowable for the Drinkard Pool by the limiting gas-oil ratio for the pool. To obtain such administrative approval, the unit operator shall file proper application with the Commission, which application, if it seeks to convert additional wells to injection or to drill additional production or injection wells, shall include the following:

(1) A plat showing the location of the proposed well, all wells within the project area, and offset operators, and locating wells which offset the project area.

(2) A schematic drawing of the proposed injection well which fully describes the casing, tubing, perforated interval, and depth.

(3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

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The Secretary-Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant immediate approval, provided waivers of objection are received from all offset operators."

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

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. TRUJILLO, Chairman



PHIL R. LUCERO, Member



A. L. PORTER, Jr., Member & Secretary

S E A L

jr/

