

Entered June 12, 1979
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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. 6500
Order No. R-6014

APPLICATION OF GULF OIL CORPORATION
FOR APPROVAL OF INFILL DRILLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This matter came on for hearing at 9 a.m. on March 28, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of June, 1979, 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, Gulf Oil Corporation, seeks a determination pursuant to the Federal Energy Regulatory Commission Rules, Part 271.305, that wells drilled to the Upper Drinkard gas zone on the Central Drinkard Unit, which covers portions of Sections 28, 29, 30, 31, 32 and 33, Township 21 South, Range 31 East, NMPM, Drinkard Pool, Lea County, New Mexico, are necessary to effectively and efficiently drain a portion of the reservoir covered by each of the proration units on which these wells have been drilled which cannot be effectively and efficiently drained by any existing well within such proration units.

(3) That the applicant further seeks a unit-wide determination pursuant to the Federal Energy Regulatory Commission Rules, Part 271.305, that each infill well drilled to the Upper Drinkard gas zone on the Central Drinkard Unit in the future is necessary to effectively and efficiently drain reserves from a portion of the reservoir covered by the proration unit involved which cannot be effectively and efficiently drained by any existing well within such proration unit.

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(4) That the Oil Conservation Division, after notice and hearing at which evidence was presented in Case No. 5474, entered its Order No. R-5030 on May 22, 1975, expanding the vertical limits of the Central Drinkard Unit to include the entire Drinkard formation as encountered in Gulf's J. N. Carson (NCT-A) Well No. 7 from 6,330 feet to 6,590 feet; granting approval of unorthodox well locations for Central Drinkard Unit Well Nos. 101 and 401, both wells to be completed on the same forty acre proration unit; and amending Order No. R-2909 to establish a procedure for administrative approval for future unorthodox well locations.

(5) At the hearing of Case 5474, May 14, 1975, evidence was presented which established that there is separation between the Upper Drinkard gas zone and the Lower Drinkard oil zone, and that waterflooding of the lower zone necessitates the completion of separate well bores to produce the reserves in the Upper Drinkard gas zone.

(6) That the standard spacing unit in the Drinkard Pool is 40 acres.

(7) That with the completion of said Unit Well No. 101 each 40-acre proration unit in the Central Drinkard Unit would contain either a lower Drinkard producing or injection well.

(8) That the completion of Upper Drinkard zone gas wells in the Central Drinkard Unit will result in the location of a second well or infill well upon a number of proration units therein.

(9) That each Central Drinkard Unit "infill" well completed in the Upper Drinkard gas zone subsequent to entry of Order No. R-5030, and each Central Drinkard Unit "infill" well to be completed in the Upper Drinkard gas zone in the future is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit on which such well is located which cannot be effectively and efficiently drained by any existing well within that proration unit.

IT IS THEREFORE ORDERED:

(1) That the establishment of a procedure for administrative approval for unorthodox producing well locations authorized by Division Order R-5030, and the unorthodox locations which have been approved pursuant to such procedure be and the same hereby are ratified and confirmed.

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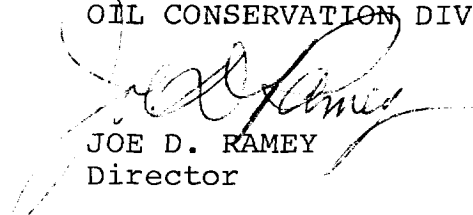
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(2) That the authorization by this Order of infill drilling to the Upper Drinkard gas zone on the Gulf Oil Corporation Central Drinkard Unit is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the Upper Drinkard gas zone covered by existing proration units underlying each of the subject wells within Sections 28, 29, 30, 31, 32, and 33, Township 21 South, Range 31 East, NMPM, Lea County, New Mexico, which cannot effectively and efficiently be drained by any existing wells on such proration units.

(3) 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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