

Entered September 10, 1979
JLR

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. 6624
Order No. R-6099

APPLICATION OF BELCO PETROLEUM
CORPORATION FOR APPROVAL OF INFILL
DRILLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 8, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of September, 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, Belco Petroleum Corporation, seeks a finding that the drilling of a well to be located in Unit K of Section 31, Township 9 South, Range 33 East, NMPM, Flying "M"-San Andres Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by the existing well.

(3) That the applicant further seeks approval of a waiver of existing well-spacing requirements.

(4) That the standard spacing unit in the Flying "M"-San Andres Pool is 80 acres.

(5) That Belco Petroleum Corporation is the operator of an 80-acre standard proration unit consisting of the E/2 SW/4 of said Section 33 in said Flying "M"-San Andres Pool.

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(6) That said 80-acre proration unit is dedicated to the applicant's Federal 31 Well No. 1 located in Unit N of said Section 33.

(7) That the evidence presented demonstrated that said Federal 31 Well No. 1 cannot effectively and efficiently drain said 80-acre proration unit.

(8) That the evidence presented further demonstrated that the drilling and completion of applicant's said new well should result in the production of an additional 50,000 to 125,000 barrels of oil and from 35,000 to 144,000 MCF of gas from said proration unit which would not otherwise be recovered from the proration unit.

(9) That such additional recovery will result in said unit being more efficiently and economically drained.

(10) That said new well is to be drilled as an "infill" well on the existing 80-acre standard proration unit.

(11) That in order to permit the drainage of a portion of the reservoir covered by said 80-acre standard proration unit which cannot be effectively and efficiently drained by the existing well thereon, the subject application for infill drilling should be approved as an exception to the standard well spacing requirements for said Flying "M"-San Andres Pool.

IT IS THEREFORE ORDERED:

(1) That the applicant, Belco Petroleum Corporation, is hereby authorized to drill a well to be located in Unit K of Section 31, Township 9 South, Range 33 East, NMPM, as an infill well on an existing 80-acre standard proration unit being the E/2 SW/4 of said Section 33, Flying "M"-San Andres Pool, Lea County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by the existing 80-acre proration unit which cannot efficiently and economically be drained by any existing well thereon.

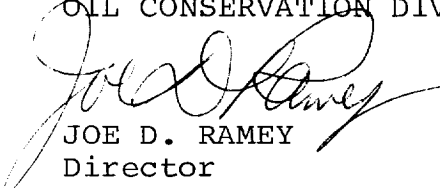
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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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

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