

Entered September 19, 1979
KLR

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. 6579
Order No. R-6106

APPLICATION OF R. N. HILLIN FOR AN
UNORTHODOX WELL LOCATION AND APPROVAL
OF INFILL DRILLING, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 22, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th 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, R. N. Hillin, seeks a waiver of
existing well spacing requirements and a finding that the drill-
ing of a Morrow gas well at an unorthodox location 800 feet from
the South line and 2000 feet from the East line of Section 34,
Township 19 South, Range 28 East, is necessary to effectively
and efficiently drain that portion of the E/2 of said Section
34 which cannot be so drained by the existing well.
- (3) That the standard spacing unit in the Winchester-Morrow
Gas Pool is 320 acres.
- (4) That R. N. Hillin is the operator of a 320-acre tract
consisting of the E/2 of said Section 34 in said Winchester-
Morrow Gas Pool.
- (5) That said 320-acre standard proration unit is dedicated
to the DWU Federal Well No. 1 located in Unit J of said Section 34.

-2-

Case No. 6579

Order No. R-6106

(6) That production from said DWU Federal Well No. 1 declined from an average monthly rate of over 8000 Mcf in early 1974 to just over 1000 Mcf in 1978, despite installation of a compressor to help feed the well into the pipeline.

(7) That the evidence presented demonstrated that said DWU Federal Well No. 1 is no longer effectively and efficiently draining the aforesaid dedicated 320-acre proration unit.

(8) That the evidence presented further demonstrated that the drilling and completion of applicant's said well at an unorthodox location may result in the production of additional gas in excess of one billion cubic feet from applicant's acreage which would not otherwise be recovered from the proration unit.

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

(10) That said well is to be drilled as an "infill" well on the existing 320-acre proration unit.

(11) That in order to permit the drainage of a portion of the reservoir covered by said 320-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 Winchester-Morrow Gas Pool.

IT IS THEREFORE ORDERED:

(1) That the applicant, R. N. Hillin, is hereby authorized to drill a well at an unorthodox location 800 feet from the South line and 2000 feet from the East line of Section 34, Township 19 South, Range 28 East, as an infill well on an existing 320-acre standard proration unit being the E/2 of said Section 34, Winchester-Morrow Gas Pool, Eddy 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 320-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.

-3-

Case No. 6579

Order No. R-6106

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

fd/