

Entered September 24, 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. 6651  
Order No. R-6127

APPLICATION OF ALPHA TWENTY-ONE PRODUCTION  
COMPANY FOR A NON-STANDARD PRORATION UNIT,  
UNORTHODOX WELL LOCATION, AND 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 September 5, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th 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, Alpha Twenty-One Production Company, seeks approval of an 80-acre non-standard gas proration unit comprising the N/2 SW/4 of Section 32, Township 23 South, Range 37 East, NMPM, to be dedicated to its El Paso Plant Well No. 1 to be drilled at an unorthodox gas well location 1650 feet from the South line and 660 feet from the West line of said Section 32.
- (3) That the standard spacing unit in the Jalmat Gas Pool is 640 acres.
- (4) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

-2-

Case No. 6651  
Order No. R-6127

(5) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(6) That no offset operator objected to the proposed unorthodox location.

(7) That the proposed non-standard proration unit was previously approved by Division Administrative Order No. NSP-785 being dedicated to the El Paso Natural Gas Company Shell State Well No. 13 located 1980 feet from the South line and 660 feet from the West line of said Section 32.

(8) That said Shell State Well No. 13 has ceased to produce and the prospect of a successful workover operation thereon is very remote.

(9) That the evidence presented demonstrated that the drilling and completion of applicant's proposed well at an unorthodox location may result in the production of at least 0.75 billion cubic feet of gas from applicant's acreage which would not otherwise be recovered from the proration unit.

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

(11) That while there are no present plans to produce said Shell State Well No. 13, nor evidence that said well could be produced, applicant's proposed well might be considered as an infill well on said non-standard proration unit.

(12) That in order to permit the drainage of a portion of the reservoir covered by said 80-acre non-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 Jalmat Gas Pool.

(13) That Division Administrative Order No. NSP-785 should be superseded.

(14) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

-3-

Case No. 6651  
Order No. R-6127

IT IS THEREFORE ORDERED:

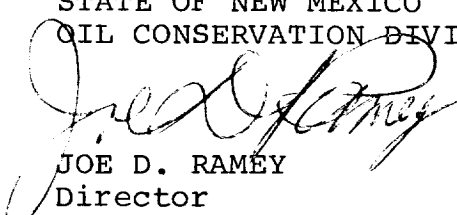
(1) That an 80-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 SW/4 of Section 32, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and approved to be dedicated to the Alpha Twenty-One Production Company El Paso Plant Well No. 1 to be drilled at an unorthodox location (hereby approved) 1650 feet from the South line and 660 feet from the West line of said Section 32 as an infill well on said non-standard proration unit. 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 said 80-acre non-standard proration unit which cannot efficiently and economically be drained by any existing well thereon.

(2) That Division Administrative Order No. NSP-785 is hereby superseded.

(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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