

Entered November 28, 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. 6716
Order No. R-6188

APPLICATION OF ALPHA TWENTY-ONE
PRODUCTION COMPANY FOR TWO NON-
STANDARD PRORATION UNITS 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 November 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of November, 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 a 40-acre non-standard gas proration unit comprising the NW/4 SE/4 of Section 8, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, to be dedicated to El Paso Natural Gas Company's Langlie Federal Well No. 3 located thereon, and also a 120-acre unit comprising the E/2 SE/4 and SW/4 SE/4 of said Section 8 to be dedicated to a well to be drilled by applicant at a standard location in the center of the SW/4 SE/4 of said Section 8.

(3) Applicant further seeks a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of an existing proration unit which cannot be so drained by the existing well.

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(4) That the evidence presented demonstrated that said El Paso Langlie Federal Well No. 3 cannot effectively and efficiently drain the 160-acre proration unit presently assigned to it.

(5) That the evidence presented further demonstrated that the drilling and completion of applicant's said new well should result in the production of between 132 and 200 million additional cubic feet of gas from the SE/4 of said Section 8 which would not otherwise be recovered.

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

(7) That said new well is to be drilled as an "infill" well on the existing 160-acre non-standard proration unit, but said unit would be split into a 40-acre non-standard unit and a 120-acre non-standard unit.

(8) That in order to permit the drainage of a portion of the reservoir covered by said 160-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.

(9) 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.

IT IS THEREFORE ORDERED:

(1) That the 160-acre non-standard gas proration unit comprising the SE/4 of Section 8, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, is hereby cancelled, and a new 40-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NW/4 SE/4 of said Section 8 is hereby established and dedicated to El Paso Natural Gas Company's Langlie Federal Well No. 3 located thereon, and also a new 120-acre unit comprising the E/2 SE/4 and SW/4 SE/4 of said Section 8 to be dedicated to a well to be drilled by applicant at a standard location thereon in the center of the SW/4 SE/4 of said Section 8.

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(2) 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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