

Entered January 28, 1980  
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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. 6741  
Order No. R-6258

APPLICATION OF ARCO OIL AND GAS  
COMPANY FOR AN AMENDMENT TO ORDER  
NO. R-6054, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

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

NOW, on this 28th day of January, 1980, 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, ARCO Oil and Gas Company, seeks the amendment of Order No. R-6054 to amend the findings in said order to make said findings more specific as to the necessity for the drilling of infill wells in the Empire Abo Unit in order to recover additional gas pursuant to the Natural Gas Policy Act of 1978.

(3) That the applicant further seeks to amend said order to make such findings applicable to present and future drilling operations including the drilling of horizontal drainholes.

(4) That Finding No. (13) of Order No. R-6054 should be amended to reflect that the necessity for the drilling of infill wells in applicant's Empire Abo Unit is based upon engineering and geological evidence.

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(5) That Order No. (2) of Order No. R-6054 should be amended to reflect that said infill wells are necessary to effectively and efficiently drain both oil and gas reserves which would not otherwise be recovered by the existing well on the appropriate proration unit.

(6) That said Finding No. (13) and said Order No. (2) should each be amended to cover infill wells drilled under the provisions of Orders Nos. R-4549-D and R-6203 (horizontal drainholes).

(7) That these amendments are consistent with the evidence presented in Division Cases Nos. 5177, 6409, 6553, 6720, and 6742.

IT IS THEREFORE ORDERED:

(1) That Finding No. (13) of Division Order No. R-6054 entered July 10, 1979, is hereby amended to read in its entirety as follows:

"(13) That the Division has recognized, based on engineering and geological evidence, the necessity for the drilling of such additional wells in order to more effectively and efficiently drain the portion of the proration units upon which said wells are located which could not be so drained by the existing well(s) thereon, and, by its Orders Nos. R-4549-B, R-4549-D, R-5906, and R-6203, has approved their being drilled as infill wells."

(2) That Order No. (2) of said Order No. R-6054 is hereby amended to read in its entirety as follows:

"(2) That such unorthodox producing well locations as have been approved pursuant to said Orders Nos. R-4549-B, R-4549-D, R-5906, or R-6203, as infill producing wells were, and are hereby found, to be necessary to effectively and efficiently drain both oil and gas reserves in the portion of the reservoir covered by their respective existing proration units which could not be so drained by the existing wells on the units.

(3) 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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