

Entered April 30, 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
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6823
Order No. R-6325

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR 640-ACRE CARBON DIOXIDE
GAS WELL SPACING, HARDING, QUAY, AND
UNION COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 11, 1980, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 30th day of April, 1980, the Commission, having considered the testimony, exhibits, and the record, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Amoco Production Company, seeks approval of 640-acre carbon dioxide gas well spacing for the Tubb and older formations in Harding, Quay, and Union Counties, New Mexico.
- (3) That the Commission has authority to authorize spacing and proration units being an area that can be efficiently and economically drained by one well.
- (4) That the applicant did establish that communication existed between certain wells 660 feet apart.
- (5) That assuming radial drainage, wells drilled on 640-acre spacing would require a radius of drainage of 2979 feet.

-2-

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Order No. R-6325

(6) That the applicant presented no substantial evidence establishing that carbon dioxide gas wells in the Tubb or older formations in Harding, Quay, and Union Counties are capable of a radius of drainage of 2979 feet, or that such wells are capable of efficiently and economically draining 640-acre spacing and proration units.

(7) That the applicant presented no substantial evidence establishing any economic necessity for the 640-acre spacing and proration units requested in this case.

(8) That the development of the subject area on 640-acre spacing would probably result in the drilling of too few wells to efficiently and economically drain the area thereby causing reduced recovery and resulting in the waste of carbon dioxide gas.

(9) That the application should be denied.


IT IS THEREFORE ORDERED:

(1) That the application of Amoco Production Company for 640-acre carbon dioxide gas well spacing in Harding, Quay, and Union Counties, New Mexico, is denied.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


ALEX J. ARMILLO, Member


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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