

Entered February 15, 1982
JRR

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. 7427
ORDER NO. R-6905

APPLICATION OF BELCO PETROLEUM
CORPORATION FOR A SPECIAL ALLOWABLE,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 19, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of February, 1982, 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, Belco Petroleum Corporation, seeks an adjustment to the manner in which allowables are calculated for wells in the South Carlsbad-Morrow Gas Pool in order to grant relief to the overproduced status of its Douglas Com. Well No. 1 located in Unit H of Section 7, Township 22 South, Range 27 East, said well being subject to shut-in being more than six times its allowable overproduced. In the alternative, applicant seeks to make up the overproduction at a rate less than complete shut-in by curtailing production from the well to 80 percent of its top allowable until it is back in balance.
- (3) That said well has demonstrated extreme sensitivity to changes in flow rates by manipulation of choke size at the wellhead, and often fails to achieve the same rate of flow or bottom hole pressure after being severely curtailed, even on a temporary basis.

-2-

Case No. 7427

Order No. R-6905

(4) That gas well allowables in the South Carlsbad-Morrow Gas Pool have been substantially lower during the past eleven months than the ability of the subject well to produce.

(5) That due to the sensitivity of the well to curtailment or shut-in, the operator permitted the well to accumulate overproduction against its allowable of some 414,822 MCF of gas through October, 1981.

(6) That since October, 1981, applicant has curtailed production from the well and this, combined with improved allowables for the pool, has brought the well's overproduction down to 398,102 MCF through November, 1981, and to 363,108 MCF through December, 1981.

(7) That due to the extreme sensitivity of the reservoir in the subject well to severe curtailment or shut-in, means should be provided whereby the well may be brought back into a less than six times over-produced status more rapidly than with the modest curtailment presently employed.

(8) That as of December 31, 1981, the subject well was 363,108 MCF overproduced, whereas six times its average allowable for the 12-month period ending December 31 equals 213,157 MCF.

(9) That assignment of a special allowable of the difference between 363,108 MCF and 213,157 MCF, or 149,951 MCF, plus one average month's allowable during 1981, or 35,526 MCF, for a total of 185,477 MCF, would reduce the well's overproduced status to 177,631 MCF as of December 31, 1981.

(10) That with said special allowable assignment, the subject well would be approximately five times overproduced as of December 31, 1981, and this amount of overproduction, less any accumulated underproduction since December 31, should permit the operator to maintain the well in a producing status and, with only minimal curtailment, further reduce its overproduction.

(11) That said Douglas Com. Well No. 1 is one of only two non-marginal wells in the South Carlsbad-Morrow Gas Pool at this time, and there is no likelihood of any violation of correlative rights as the result of the assignment of the above-described special allowable.

(12) That the assignment of said special allowable will not cause but may prevent waste and should be approved.

-3-
Case No. 7427
Order No. R-6905

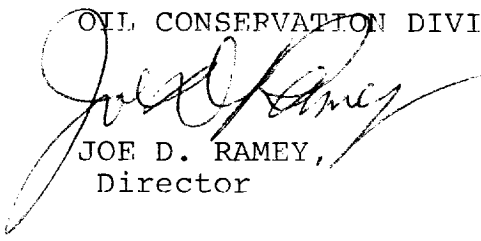
IT IS THEREFORE ORDERED:

(1) That the Belco Petroleum Corporation Douglas Com. Well No. 1 located in Unit H of Section 7, Township 22 South, Range 27 East, NMPM, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, is hereby assigned a special supplemental allowable of 185,477 MCF.

(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

S E A L