

Entered October 12, 1982
JLR

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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. 7671
Order No. R-7102

APPLICATION OF TEXAS EASTERN
DEVELOPMENTS, INC. FOR AN
EXCEPTION TO RULE 307, SAN JUAN
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 15, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of October, 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, Texas Eastern Developments, Inc., seeks an exception to the provisions of Rule 307 of the Division Rules and Regulations to permit the installation and operation of a reservoir vacuum system in certain of its wells in the Shiprock-Gallup Oil Pool, San Juan County, New Mexico, drawing the wellbore pressure down to approximately 25 inches of mercury.

(3) That the applicant is the only operator in said Shiprock Gallup Oil Pool.

(4) That Rule 307 of the Division Rules and Regulations reads in its entirety as follows:

"RULE 307. USE OF VACUUM PUMPS

Vacuum pumps or other devices shall not be used for the purpose of creating a partial vacuum in any stratum containing oil or gas."

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(5) That the prohibition against the use of vacuum pumps in an oil or gas reservoir is for the purpose of preventing the breaking out of solution of gases and light ends from the reservoir fluids, and the prevention of premature coning of water into the pay zone, thereby preventing reservoir waste.

(6) That the Shiprock Gallup Oil Pool is very shallow, the pay zone ranging in depth from 62 feet to 154 feet beneath the surface.

(7) That as a result of its shallow depth, there is very little pressure in the pay zone to cause the oil to migrate to the wellbore, and the oil contains little if any gas or light ends which might be adversely affected by the installation and operation of the proposed vacuum systems.

(8) That such installation and operation of the proposed vacuum systems will not impair correlative rights nor cause waste and should be approved.

(9) That an administrative procedure should be provided whereby additional wells may be approved for vacuum pump installation and operation.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Eastern Developments, Inc., is hereby authorized to install and operate the following vacuum systems in the Shiprock Gallup Oil Pool, San Juan County, New Mexico:

VACUUM SYSTEM NO.	WELLS NOS.	UNIT LETTER	SECTION
1	67	F	17
	78, 85 and 93	I	17
2	1, 2, 3, and 62	J	17
3	5, 44, and 46	I	17
	45	J	17
4	13, 21, 22, and 23	L	16

all in Township 29 North, Range 18 West, NMPM.

(2) That said vacuum systems shall be operated in such a manner as to draw approximately 25 inches of mercury at the wellbore-reservoir rock interface.

(3) That the Division Director shall have the authority to authorize the inclusion of additional wells to the above-described vacuum systems and to approve additional vacuum

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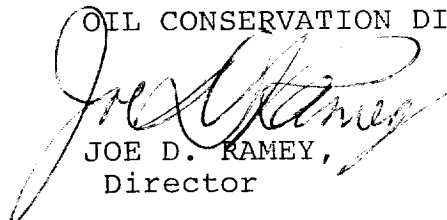
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systems, and further, for good cause shown, to increase the allowed vacuum in the wellbore to less than 25 inches of mercury.

(4) 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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