

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. 8992
Order No. R-7267-A

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR THE AMENDMENT OF
DIVISION ORDER NO. R-7267, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 17, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 17th day of October, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Order No. R-7267, dated April 23, 1983, issued in Case No. 7835, compulsorily pooled all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 24, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico, to form a standard 320-acre gas spacing and proration unit and further designated Amoco Production Company as operator of said unit.

(3) Under the provisions of Division Order No. R-7267, the applicant, Amoco Production Company, has drilled its Heller Company Trust Com "A" Well No. 1 located 2180 feet from the North line and 660 feet from the West line of Section 24, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico, and has completed said well in the Wolfcamp formation.

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(4) The applicant seeks the amendment of Division Order No. R-7267 to delete the portion of the order which pooled all interests in the Wolfcamp gas pool underlying the W/2 of said Section 24 and to include a provision pooling all mineral interests in the West Osudo-Wolfcamp Oil Pool underlying the SW/4 NW/4 (Unit E) of said Section 24.

(5) No interest owner appeared at the hearing in opposition to the proposed amendment.

(6) The proposed amendment should afford the applicant the opportunity to produce its share of oil from the West Osudo-Wolfcamp Oil Pool, protect correlative rights, prevent waste, and should be approved.

(7) All other provisions contained in Division Order No. R-7267 should remain in full force and effect including the risk penalty and overhead rates charged to the non-consenting working interest owners.

IT IS THEREFORE ORDERED THAT:

(1) Decretory Paragraph No. (1) of Division Order No. R-7267 is hereby amended to read as follows:

"All mineral interests, whatever they may be, in the Pennsylvanian formation underlying the W/2 of Section 24 and in the Wolfcamp formation underlying the SW/4 NW/4 of said Section 24, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico, are hereby pooled to form a standard 320-acre gas and 40-acre oil spacing and proration unit, respectively, to be dedicated to a well to be drilled at a standard location thereon."

(2) All other provisions contained in Division Order No. R-7267 shall remain in full force and effect.

(3) 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



R. L. STAMETS
Director

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