

Entered September 22, 1983
JWR

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. 7925
Order No. R-7326-B

APPLICATION OF CHAMA PETROLEUM
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 16, 1983, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 22nd day of September, 1983, the Commission, a quorum being present, having considered the testimony, the record, and the exhibits, 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 with respect to prevention of waste and protection of correlative rights.

(2) That the applicant, Chama Petroleum Company, seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the E/2 of Section 22, Township 19 South, Range 25 East, NMPM, Undesignated Pool, Eddy County, New Mexico.

(3) That this matter originally came on for hearing before the Commission on July 27, 1983.

(4) That on August 7, 1983, the Commission entered its Order No. R-7326 approving the application of Chama Petroleum Company.

(5) That the Commission received timely applications for rehearing of Case No. 7925 from Chama Petroleum Company and Anadarko Production Company.

(6) That petitioners alleged, among other things, that additional findings concerning prevention of waste should be made by the Commission.

(7) That on September 16, 1983, a rehearing was held in Case No. 7925 for the purpose of permitting all interested parties to appear and present evidence relating to this matter.

(8) That a new Finding No. (7a) should be added to Order No. R-7326 to read:

"(7a) That failure to test/produce potential oil and gas zones before said well is utilized as a salt water disposal well could result in the waste of oil and gas resources."

(9) That Finding No. (15) in Order No. R-7326 should be changed to read:

"(15) That to avoid the drilling of unnecessary wells, to protect correlative rights, prevent waste, and to afford the owner of each interest in said units the opportunity to recover or receive without unnecessary expense his just and fair share of the oil and/or gas in any appropriate pool covered by said units, the subject application should be approved by pooling all mineral interests, whatever they may be, within said units."

(10) That the dates listed in Order No. (1) of Order R-7326 should be changed to October 15, 1983.

(11) That Order No. (14) of Order No. R-7326 should be changed to read:

"(14) That perforated non-commercial zones below the Cisco-Canyon shall be isolated with a bridge plug capped with five sacks of cement and perforated non-commercial zones above the Cisco-Canyon shall be squeeze cemented."

(12) That the remainder of Commission Order No. R-7326, entered August 9, 1983, should be affirmed.

(13) That it is not necessary for the Commission to determine economic criteria for the production or abandonment of oil or gas wells.

IT IS THEREFORE ORDERED:

(1) That Finding No. (7a) is added to Order No. R-7326 to read:

"(7a) That failure to test/produce potential oil and gas zones before said well is utilized as a salt water disposal well could result in the waste of oil and gas resources."

(2) That Finding No. (15) in Order R-7326 is changed to read:

"(15) That to avoid the drilling of unnecessary wells, to protect correlative rights, prevent waste, and to afford to the owner of each interest in said units the opportunity to recover or receive without unnecessary expense his just and fair share of the oil and/or gas in any appropriate pool covered by said units, the subject application should be approved by pooling all mineral interests, whatever they may be, within said units."

(3) That the dates listed in Order No.(1) of Order No. R-7326 are changed to October 15, 1983.

(4) That Order No. (14) of Order No. R-7326 is changed to read:

"(14) That perforated non-commercial zones below the Cisco-Canyon shall be isolated with a bridge plug capped with five sacks of cement and perforated non-commercial zones above the Cisco-Canyon shall be squeeze cemented."

(5) That the remainder of Commission Order No. R-7326, entered August 9, 1983, is hereby affirmed.

-4-

Case No. 7925


Order No. R-7326-B

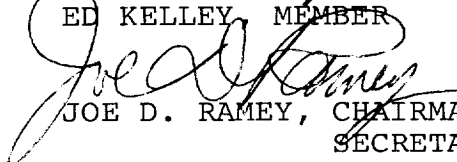
(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, MEMBER


ED KELLEY, MEMBER


JOE D. RAMEY, CHAIRMAN AND
SECRETARY

S E A L