

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. 8217
Order No. R-7784

APPLICATION OF CURTIS J. LITTLE FOR
HARDSHIP GAS WELL CLASSIFICATION,
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 17th day of January, 1985, 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) The applicant, Curtis J. Little, seeks a determination that its Federal Com Well No. 2E, located in Unit N of Section 11, Township 28 North, Range 13 West, NMPM, San Juan County, New Mexico, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

(3) The Federal Com Well No. 2E is completed in the Basin-Dakota Pool.

(4) Beginning in May 1984, said Federal Com Well No. 2E experienced substantial water production.

(5) When the well is shut in, extensive swabbing is required to return it to production.

(6) The applicant has installed the smallest tubing possible to efficiently produce a well of this depth in order to obtain better flow characteristics.

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(7) The relative permeability to gas in the Dakota formation is severely affected by the build-up of water in and around the wellbore and that reserves therefrom may be lost if water build-up around the wellbore occurs because said well is shut-in or if the well must be killed for further workover.

(8) Production testing demonstrates that said Federal Com Well No. 2E should be produced at a minimum rate of 88 MCFD in order to lift the water from the formation.

(9) Said well is currently overproduced in the Basin-Dakota Pool and should not be permitted to produce at a rate in excess of 88 MCFD until such overproduction is made up.

(10) To prevent waste, applicant's Federal Com Well No. 2E should be designated a hardship gas well and be given priority access to the available market for gas.

(11) Such classification should be subject to the limitations described in Rule 412 of the Division's Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The Federal Com Well No. 2E located in Unit N of Section 11, Township 28 North, Range 13 West, NMPM, Basin-Dakota Pool, San Juan County, New Mexico, is hereby designated as a hardship gas well subject to the following terms and conditions:

- (a) The well will be given priority access to the available gas market;
- (b) The well shall accumulate overproduction and underproduction but shall not be shut-in because of overproduction;
- (c) The minimum approved flow rate for the well shall be 88 MCFD;
- (d) The well shall not be produced at a rate in excess of 88 MCFD so long as it is overproduced on a cumulative basis;
- (e) The hardship classification shall be retained only through May 31, 1985, unless the operator obtains an extension thereof under the terms of Division Rule 412 A; and,

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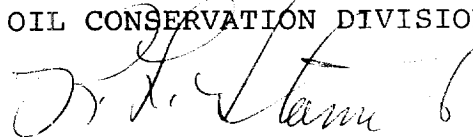
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(f) The well shall be subject to all terms and provisions of Division Rule 412.

(2) 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

A handwritten signature in cursive script, appearing to read "R. L. Stamets", is written over the printed name.

R. L. STAMETS,
Director

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