

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. 8408
Order No. R-7931

APPLICATION OF UNION TEXAS PETROLEUM
CORPORATION FOR APPROVAL OF INFILL
DRILLING, SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 28, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 31st day of May, 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, Union Texas Petroleum Corporation, is the operator of a 320-acre gas proration unit consisting of the E/2 of Section 31, Township 32 North, Range 12 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico.

(3) On April 28, 1982, the applicant applied for a determination under the Natural Gas Policy Act (NGPA) to receive Section 103 pricing for Blanco-Mesaverde production from its Culpepper Martin Well No. 1-E (spud date, September 19, 1981) located 1110 feet from the South line and 830 feet from the East line of said Section 31.

(4) The applicant now seeks a finding that the drilling of said Culpepper Martin Well No. 1-E is necessary to effectively and efficiently drain that portion of the proration unit which could not be drained by the two existing wells on the unit at the time of said NGPA Well Pricing application.

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(5) The first well on the subject proration unit was the Culpepper Martin Well No. 1, located 990 feet from the South and East lines of said Section 31 and spudded on November 11, 1950. Said well was subsequently plugged and abandoned on March 13, 1984, due to excessive and extensive corrosion damage to the casing.

(6) The second well on the subject proration unit is the Culpepper Martin Well No. 1-A located 1850 feet from the North and East lines of said Section 31 and spudded on August 8, 1981. Said well was drilled under the provisions of Division Order No. R-1670-T as an infill well in the Blanco-Mesaverde Pool to drain the northern half of the subject proration unit.

(7) The aforesaid Culpepper Martin Well No. 1-E was drilled as a replacement well to the Culpepper Martin Well No. 1.

(8) The evidence presented demonstrated that the drilling and completion of said Culpepper Martin Well No. 1-E should and has resulted in the production of gas which could not otherwise be recovered from the subject proration unit.

(9) Such additional recovery will result in said unit being more efficiently, effectively, and economically drained.

(10) Approval of the subject application will not impair correlative rights and will prevent waste from occurring.

IT IS THEREFORE ORDERED THAT:

(1) Union Texas Petroleum Corporation's Culpepper Martin Well No. 1-E, located 1110 feet from the South line and 830 feet from the East line of Section 31, Township 32 North, Range 12 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico, is necessary to permit the proper drainage of a portion of the reservoir covered by the existing 320-acre gas spacing and proration unit, which could not be effectively, efficiently, and economically drained by any pre-existing well thereon.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

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

R. L. STAMETS,
Director

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