

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. 8464
Order No. R-7934

APPLICATION OF MOBIL PRODUCING
TEXAS AND NEW MEXICO, INC. FOR
INFILL FINDINGS, LEA COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on January 30, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 3rd day of June, 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) Section 271.305(b) of the Rules of the Federal Energy Regulatory Commission promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new, onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot otherwise be drained by an existing well within the proration unit.

(3) The applicant, Mobil Producing Texas and New Mexico, Inc., seeks a determination that infill drilling of all proration units in the North Vacuum Abo Pool located within portions of Townships 16 and 17 South, Ranges 34 and 35 East, NMPM, Lea County, New Mexico, is necessary to effectively and efficiently drain the reserves under said proration units.

(4) At the time of the hearing the applicant requested that any finding as to the necessity of such infill drilling be

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limited to the horizontal limits of the North Vacuum-Abo and the North Vacuum-Abo East Unit Areas, both within the above-described area and as described on Exhibit "A" attached hereto and made a part hereof.

(5) Division Order No. R-2421, dated February 13, 1963, as amended, created the North Vacuum-Abo Pool with special provisions for 80-acre spacing and proration units consisting of the N/2, S/2, E/2 or W/2 of a single governmental quarter section, allowing the drilling of a well on each quarter-quarter section in the unit provided that the first well be located on either the NW/4 or the SE/4 of a governmental quarter section but not prohibiting the drilling of another well on the opposite quarter-quarter section.

(6) Division Order Nos. R-4430, dated October 27, 1972, as amended, and R-5801, dated September 20, 1978, authorized institution of the Mobil North Vacuum Abo Pressure Maintenance Project in the North Vacuum-Abo Unit Area and the Mobil North Vacuum Abo East Pressure Maintenance Project in the North Vacuum-Abo East Unit Area, respectively.

(7) The North Vacuum-Abo Unit and North Vacuum-Abo East Unit Areas cover a combined area of approximately 7910 surface acres and are currently developed by 133 wells, including 43 injection wells and 90 producing wells, 49 of which are infill wells drilled after September 1983.

(8) The evidence presented by applicant demonstrated that drilling of infill wells pursuant to said Order No. R-2421, as amended, is necessary to establish and complete an effective injection pattern within both project areas.

(9) Such infill drilling was shown to be necessary to effectively and efficiently drain reserves under the proration unit wherein any such infill well is currently located and as to any proration unit wherein infill drilling should occur in the future.

(10) The drilling of infill wells in the North Vacuum-Abo Pool within the horizontal limits of the North Vacuum-Abo and North Vacuum Abo East Unit Areas is hereby determined to promote the prevention of waste and the protection of correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Subsequent (infill) wells drilled on an existing 80-acre spacing and proration unit within the horizontal limits of the North Vacuum-Abo and the North Vacuum-Abo East Unit

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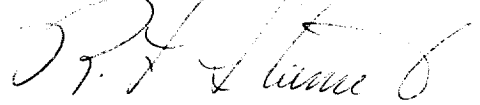
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Areas as shown on Exhibit "A" attached hereto and made a part hereof are hereby found to be necessary for the effective and efficient drainage of reserves underlying the proration unit wherein any such well is located, all within the North Vacuum-Abo Pool, Lea County, New Mexico.

(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



R. L. STAMETS,
Director

S E A L

EXHIBIT "A"
ORDER NO. R-7934

NORTH VACUUM ABO UNIT

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 2: N/2 SW/4
Section 3: SE/4
Section 10: E/2 and SW/4
Section 11: All
Section 12: E/2 and SW/4
Sections 13 and 14: All
Section 15: E/2
Section 22: E/2
Sections 23 and 24: All
Section 25: NW/4 and N/2 NE/4
Section 26: All
Section 27: E/2

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 19: W/2 NW/4

NORTH VACUUM ABO EAST UNIT

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 7: S/2
Section 18: N/2, SW/4 and W/2 SE/4