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. 8611 Order No. R-8112

APPLICATION OF HONDO DRILLING COMPANY FOR FIVE HARDSHIP GAS WELL CLASSIFICATIONS, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9:00 a.m. on July 2, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this <u>20th</u> day of January, 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) The applicant, Hondo Drilling, seeks a determination that each of the following described wells located in Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, are hardship gas wells that should be granted priority access to pipeline takes in order to avoid waste:

> Alscott Federal Well No. 2 660' FSL - 1980' FEL (Unit O) Section 30

> Alscott Federal Well No. 3 660' FSL - 1980' FWL (Unit O) Section 31

Trigg Jennings Com Well No. 1 660' FSL - 1980' FWL (Unit N) Section 28 -2-Case No. 8611 Order No. R-8112

> Wright Federal Com Well No. 1 660' FSL - 1980' FWL (Unit N) Section 29

> Wright Federal Com Well No. 2 1980' FNL - 1980' FEL (Unit G) Section 29

(3) The wells are completed in the North Turkey Track-Morrow Gas Pool.

(4) The evidence presented at the hearing was insufficient to make a determination that waste would result if said wells should be shut-in.

(5) The application should be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application for designation of the five following described Hondo Oil and Gas Company Wells as hardship gas wells is hereby <u>denied</u>:

Alscott Federal Well No. 2 660' FSL - 1980' FEL (Unit O) Section 30 Alscott Federal Well No. 3 660' FSL - 1980' FWL (Unit O) Section 31

Trigg Jennings Com Well No. 1 660' FSL - 1980' FWL (Unit N) Section 28

ţ

Wright Federal Com Well No. 1 660' FSL - 1980' FWL (Unit N) Section 29

Wright Federal Com Well No. 2 1980' FNL - 1980' FEL (Unit G) Section 29

All in Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

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

-3-Case No. 8611 Order No. R-8112

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

.....

Ś Ù F. J. Stumer

R. L. STAMETS Director

SEAL

~