

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 9679  
Order No. R-8942

APPLICATION OF FRED POOL DRILLING,  
INC. FOR AN UNORTHODOX GAS WELL  
LOCATION AND DUAL COMPLETION,  
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 24, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 1st day of June, 1989, 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, Fred Pool Drilling, Inc., seeks approval for an unorthodox gas well location as to the Wolfcamp formation for its Eastland State Well No. 4 located 660 feet from the North and West lines (Unit D) of Section 13, Township 9 South, Range 26 East, NMPM, Foor Ranch-Wolfcamp Gas Pool, Chaves County, New Mexico.

(3) The applicant further seeks authority to dually complete said well in a manner which will allow the production of gas up the tubing from said Foor Ranch-Wolfcamp Gas Pool and the production of gas up the casing-tubing annulus from the South Pecos Slope-Abo Gas Pool.

(4) The applicant further proposes to dedicate two standard gas proration units to the subject well as follows:

A. The NW/4 of said Section 13 forming a standard 160-acre gas spacing and proration unit for the South Pecos Slope-Abo Gas Pool.

B. The N/2 of said Section 13 forming a standard 320-acre gas spacing and proration unit for the Foor Ranch-Wolfcamp Gas Pool.

(5) Testimony and evidence indicates that the applicant drilled the subject well at the standard South Pecos Slope-Abo Gas Pool well location as described above with the intent of protecting its acreage in the NW/4 of said Section 13 from drainage which may be occurring through offset Abo production in Sections 11 and 12.

(6) In lieu of drilling an additional well in the N/2 of said Section 13 to produce the Wolfcamp gas reserves, the applicant opted to drill the subject well to a depth sufficient to produce the Wolfcamp formation.

(7) Although the subject well had not been tested in either zone at the time of the hearing, all indications are that commercial gas production will be encountered in both the Abo and Wolfcamp formations.

(8) The applicant presented as evidence in this case written waivers of objection to the proposed unorthodox Wolfcamp location from Yates Petroleum Corporation and Elk Oil Company, the two affected offset operators.

(9) No other offset operator appeared at the hearing in opposition to the application.

(10) Approval of the unorthodox Wolfcamp gas well location and dual completion will afford the applicant the opportunity to produce its just and equitable share of the gas in the Foor Ranch-Wolfcamp and South Pecos Slope-Abo Gas Pools, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

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IT IS THEREFORE ORDERED THAT:

(1) The application of Fred Pool Drilling, Inc. for an unorthodox Wolfcamp gas well location for its Eastland State Well No. 4 located 660 feet from the North and West lines (Unit D) of Section 13, Township 9 South, Range 26 East, NMPM, Foor Ranch-Wolfcamp Gas Pool, Chaves County, New Mexico, is hereby approved.

(2) The applicant is further authorized to dually complete said Eastland State Well No. 4 in the Foor Ranch-Wolfcamp Gas Pool and the South Pecos Slope-Abo Gas Pool in the manner described in Finding No. (3) above.

(3) The following described standard gas proration units shall be dedicated to the subject well:

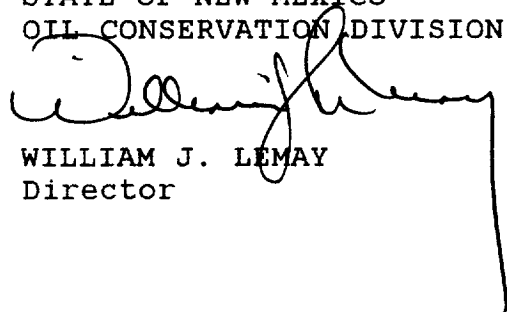
A. The NW/4 of said Section 13 forming a standard 160-acre gas spacing and proration unit for the South Pecos Slope-Abo Gas Pool.

B. The N/2 of said Section 13 forming a standard 320-acre gas spacing and proration unit for the Foor Ranch-Wolfcamp Gas Pool.

(4) 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

  
WILLIAM J. LEMAY  
Director

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