

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. 9766
Order No. R-9010

APPLICATION OF DOYLE HARTMAN
FOR A NON-STANDARD GAS PRORATION
UNIT AND AN UNORTHODOX GAS WELL
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 20, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 4th day of October, 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, Doyle Hartman, seeks approval for an unorthodox gas well location for its A. L. Christmas Well No. 1 to be drilled 990 feet from the North line and 460 feet from the West line (Unit D) of Section 18, Township 22 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, Lots 1, 2, 3 and 4 of said Section 18 to be dedicated to the subject well forming a non-standard 147.96-acre gas spacing and proration unit for said pool.
- (3) The subject well will be located within the Eumont Gas Pool and is therefore subject to the Special Rules and Regulations for said pool as promulgated by Division Order No. R-8170, as amended, which require standard 640-acre gas spacing and proration units with wells to be located no closer than 1650 feet to the outer boundary of the section

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and no closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary.

(4) The evidence presented indicates that the subject non-standard gas proration unit has previously been utilized to produce Eumont gas reserves underlying said Section 18, said unit approved by Division Administrative Order No. NSP-341, dated January 10, 1957.

(5) The evidence further indicates that the well to which the subject non-standard gas proration unit was previously dedicated, the Gulf Oil Corporation A. L. Christmas "C" Well No. 5, was plugged and abandoned in May, 1981.

(6) The applicant is the current leasehold owner of the subject acreage and proposes to drill its A. L. Christmas Well No. 1 to produce the remaining gas reserves in the Eumont Gas Pool underlying the proposed non-standard gas proration unit.

(7) The evidence indicates that the applicant is unable to form a standard gas proration unit inasmuch as the remaining acreage in said Section 18 is currently being utilized (by virtue of four existing non-standard gas proration units) to produce the Eumont Gas Pool.

(8) The applicant presented further evidence and testimony which indicates that due to the irregular shape of the non-standard gas proration unit, it is impossible to drill a well at a standard gas well location thereon, and that taking into account geologic and topographic considerations, a well at the proposed location will enable the applicant to produce the remaining gas reserves underlying the proposed non-standard gas proration unit.

(9) No interest owner in said Section 18 and/or offset operator appeared and objected to the proposed non-standard gas proration unit and unorthodox gas well location.

(10) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, 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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(11) For purposes of assigning a gas allowable in the Eumont Gas Pool, the subject well and proration unit should be assigned an acreage factor of 0.93.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Doyle Hartman, is hereby authorized to drill its A. L. Christmas Well No. 1 at an unorthodox gas well location 990 feet from the North line and 460 feet from the West line (Unit D) of Section 18, Township 22 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

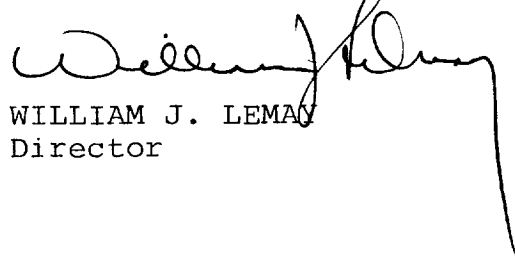
(2) Lots 1, 2, 3 and 4 of said Section 18 shall be dedicated to the above-described well forming a non-standard 147.96-acre gas spacing and proration unit for said pool.

(3) For purposes of assigning a gas allowable in the Eumont Gas Pool, the subject well and proration unit shall be assigned an acreage factor of 0.93.

(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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