

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. 6454
Order No. R-6032

APPLICATION OF DOYLE HARTMAN FOR
APPROVAL OF INFILL DRILLING AND
TWO NON-STANDARD PRORATION UNITS,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of June, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the E/2 of Section 9, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, currently comprises a 320-acre non-standard gas proration unit in the Jalmat Gas Pool, and is dedicated to the El Paso Natural Gas Company Pritchard A Well No. 1, located in Unit G of said Section 9.

(3) That said Pritchard A Well No. 1 is apparently not efficiently and effectively draining the gas reserves in the Jalmat Gas Pool underlying the SE/4 of said Section 9, and El Paso Natural Gas Company has executed a farm-out agreement with the applicant, Doyle Hartman, whereby applicant would operate the SE/4 of said Section 9 and drill a Jalmat gas well thereon, and El Paso would operate the NE/4 of said Section 9 and dedicate the same to the aforesaid Pritchard A Well No. 1.

(4) That the applicant in this case seeks approval for infill drilling and two non-standard gas proration units, one

for El Paso Natural Gas Company being a 160-acre unit comprising the NE/4 of Section 9 to be dedicated to El Paso's Pritchard A Well No. 1, located in Unit G, and the other unit being a 160-acre unit, for the applicant, comprising the SE/4 of Section 9, and dedicated to a well applicant proposes to drill at a point 1980 feet from the South line and 1980 feet from the East line of said Section 9.

(5) That inasmuch as approval of the two proposed non-standard units would require the abolishment of the existing 320-acre non-standard gas proration unit, applicant would not be drilling his proposed well on an existing proration unit, and such well would not be classified as an infill well on an existing unit, but as a new onshore production well, pursuant to the definitions set forth in the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission, and applicant's request for approval of infill drilling should therefore be dismissed.

(6) That the application for cancellation of the existing 320-acre non-standard gas proration unit and approval of two 160-acre non-standard gas proration units will result in the recovery of gas reserves which otherwise might not be recovered, thereby preventing waste, will not impair but will protect correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the E/2 of Section 9, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby abolished.

(2) That two 160-acre non-standard gas proration units in the Jalmat Gas Pool are hereby approved, the first comprising the NE/4 of the aforesaid Section 9 to be dedicated to the El Paso Natural Gas Company Pritchard A Well No. 1 located in Unit G of said Section 9, and the second comprising the SE/4 of said Section 9, to be dedicated to applicant's proposed El Paso Pritchard Well No. 1, to be located 1980 feet from the South line and 1980 feet from the East line of Section 9.

(3) That each of the above-described non-standard units shall be assigned an acreage factor of 1.00 for allowable purposes.

(4) That applicant's request for approval of infill drilling is hereby dismissed.

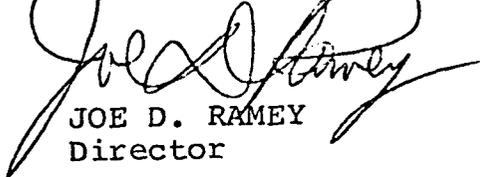
-3-

Case No. 6454
Order No. R-6032

(5) That jurisdiction of this cause is hereby 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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L

fd/