

Entered October 20, 1978
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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. 6353
Order No. R-5842

APPLICATION OF UNION TEXAS PETROLEUM
FOR TWO UNORTHODOX WELL LOCATIONS,
ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 11, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of October, 1978, 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 applicant, Union Texas Petroleum, is the operator of the Milnesand (San Andres) Unit Waterflood Project authorized by Order No. R-3770, entered May 28, 1967.
- (3) That the applicant seeks approval of two unorthodox well locations for its Milnesand Unit Well No. 241 (to be renumbered No. 521) to be drilled 2630 feet from the North line and 100 feet from the East line of Section 24, Township 8 South, Range 34 East, and its Milnesand Unit Well No. 1901 (to be renumbered No. 319) to be drilled 1310 feet from the North line and 1310 feet from the West line of Section 19, Township 8 South, Range 35 East, Milnesand San Andres Pool, Roosevelt County, New Mexico.
- (4) That the SE/4 NE/4 of said Section 24 and the NW/4 NW/4 of said Section 19 are to be dedicated to said wells, respectively.

(5) That wells at said unorthodox locations will better enable applicant to produce the remaining secondary oil reserves underlying the proration unit.

(6) That no offset operator objected to the proposed unorthodox locations.

(7) That the applicant further seeks the establishment of an administrative procedure for said waterflood project for the approval of additional producing wells and injection wells and the conversion of existing wells to injection at both orthodox and unorthodox locations without further notice and hearing.

(8) That the establishment of such an administrative procedure would permit the more efficient operation of the project.

(9) That 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.

IT IS THEREFORE ORDERED:

(1) That two unorthodox gas well locations for the San Andres formation are hereby approved for the Union Texas Petroleum Milnesand Unit Well No. 241 (to be renumbered No. 521) to be drilled 2630 feet from the North line and 100 feet from the East line of Section 24, Township 8 South, Range 34 East, and its Milnesand Unit Well No. 1901 (to be renumbered No. 319) to be drilled 1310 feet from the North line and 1310 feet from the West line of Section 19, Township 8 South, Range 35 East, Milnesand San Andres Pool, Roosevelt County, New Mexico.

(2) That the SE/4 NE/4 of said Section 24 and the NW/4 NW/4 of said Section 19 shall be dedicated to the above-described wells, respectively.

IT IS FURTHER ORDERED:

(1) That the Director of the Division is hereby authorized to approve such additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of applicant's Milnesand (San Andres) Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the Unit boundary nor closer than 10 feet to any quarter-quarter section

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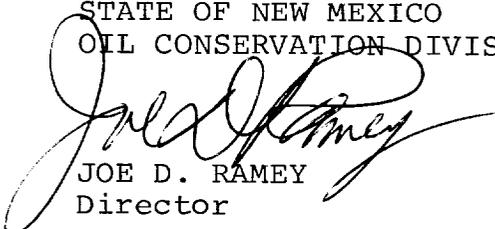
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or subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the Division, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

- (a) A plat showing the location of the proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.
 - (b) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth, and a demonstration that any proposed injection well will meet applicable construction, pressure and monitoring provisions.
 - (c) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification. The Director of the Division may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Director may grant immediate approval, provided waivers of objection are received from all offset operators.
- (2) That 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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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