

Entered July 29, 1982
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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
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 7496 DE NOVO
Order No. R-6935-A

APPLICATION OF VIKING PETROLEUM,
INC. FOR AN UNORTHODOX LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 14, 1982, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 29th day of July, 1982, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Viking Petroleum, Inc., seeks approval of an unorthodox gas well location for a well previously drilled at a point 62 feet from the South line and 1984 feet from the East line of Section 29, Township 5 South, Range 24 East, NMPM, to the Abo formation, Chaves County, New Mexico.

(3) That the matter came on for hearing at 9 a.m. on March 16, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets and, pursuant to this hearing, Order No. R-6935 was issued on April 9, 1982, which granted Viking's application with a production limitation factor of 0.41.

(4) That on April 28, 1982, application for Hearing De Novo was made by Viking Petroleum, Inc. and the matter was set for hearing before the Commission.

Case No. 7496 De Novo
Order No. R-6935-A

(5) That the matter came on for hearing de novo on July 14, 1982.

(6) That because of the surveying error which was not the fault of the operator, Finding No. (9) is inappropriate in this case and should be stricken from Division Order No. R-6935.

(7) That Finding No. (11) in said order should be amended to read in its entirety as follows:

"(11) That the production limitation referred to in Finding No. (8) above should be based upon the 38 net-acre encroachment described in Finding No. (10) above, and may best be accomplished by assigning the well at the proposed location a production limitation factor of 0.76 (24 percent net-acre encroachment factor subtracted from a 100 percent production factor)."

(8) That Order No. (3) of said order should be amended to read in its entirety as follows:

"(3) That said well is hereby assigned a Production Limitation Factor of 0.76 in the Abo Formation."

(9) That Rule 1 of the "Special Rules and Regulations For The Application Of A 'Production Limitation Factor' To A Non-Prorated Gas Well" as contained in Order No. (5) should be changed to read in its entirety as follows:

"APPLICATION OF RULES

"RULE 1. These rules shall apply to the Viking Petroleum, Inc. Abo formation gas well located 62 feet from the South line and 1984 feet from the East line of Section 29, Township 5 South, Range 24 East, NMPM, Chaves County, New Mexico, which well's Production Limitation Factor of 0.76 shall be applied to the well's deliverability (as determined by the hereinafter set forth procedure) to determine its maximum allowable rate of production."

(10) That the remainder of said Order No. R-6935 should be affirmed.

IT IS THEREFORE ORDERED:

(1) That Finding No. (9) in Division Order No. R-6935, entered April 9, 1982, is hereby stricken.

(2) That Finding No. (11) in said order is amended to read in its entirety as follows:

"(11) That the production limitation referred to in Finding No. (8) above should be based upon the 38 net-acre encroachment described in Finding No. (10) above, and may best be accomplished by assigning the well at the proposed location a production limitation factor of 0.76 (24 percent net-acre encroachment factor subtracted from a 100 percent production factor)."

(3) That Order No. (3) in said order is amended to read in its entirety as follows:

"(3) That said well is hereby assigned a Production Limitation Factor of 0.76 in the Abo Formation."

(4) That Rule 1 of the "Special Rules And Regulations For The Application Of A 'Production Limitation Factor' To A Non-Prorated Gas Well" as contained in Order No. (5) of said order is hereby amended to read in its entirety as follows:

"APPLICATION OF RULES

"RULE 1. These rules shall apply to the Viking Petroleum, Inc. Abo formation gas well located 62 feet from the South line and 1984 feet from the East line of Section 29, Township 5 South, Range 24 East, NMPM, Chaves County, New Mexico, which well's Production Limitation Factor of 0.76 shall be applied to the well's deliverability (as determined by the hereinafter set forth procedure) to determine its maximum allowable rate of production."

(5) That the remainder of said Order No. R-6935 is affirmed.

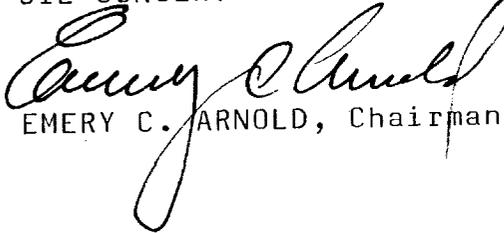
(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-4-

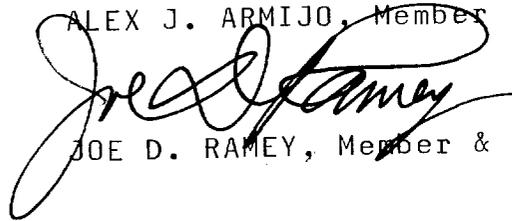
Case No. 7496 De Novo
Order No. R-6935-A

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EMERY C. ARNOLD, Chairman

ALEX J. ARMIJO, Member


JOE D. RAMEY, Member & Secretary

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