

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. 8597
Order No. R-7924

APPLICATION OF GULF OIL CORPORATION
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 a.m. on May 8, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 14th day of May, 1985, 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, Gulf Oil Corporation, seeks approval of a 320-acre non-standard gas proration unit for the Eumont Gas Pool comprising the W/2 of Section 15, Township 21 South, Range 36 East, NMPM, to be dedicated to a well to be drilled at an unorthodox location 1470 feet from the North line and 1310 feet from the West line of said Section 15.

(3) Said well is to be drilled as a replacement well for the R. R. Bell NCT-C Well No. 4, which will be abandoned in the Eumont Gas Pool and its wellbore donated to the recently established Eunice-Monument South Unit.

(4) Said non-standard proration unit is necessary to maintain an active proration unit for the Eumont Gas Pool in the W/2 of said Section 15.

(5) The entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool.

-2-

Case No. 8597
Order No. R-7924

(6) The proposed unorthodox location for the subject well will efficiently and economically drain recoverable Eumont Gas reserves from said proration unit, while maintaining flexibility for its possible future use as a 20-acre infill producer or injector in the Eunice-Monument South Unit.

(7) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont Gas 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 THAT:

(1) The application of Gulf Oil Corporation for a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 of Section 15, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby approved, said unit to be dedicated to a well located at an unorthodox location 1470 feet from the North line and 1310 feet from the West line of said Section 15.

(2) 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


R. L. STAMETS,
Director

S E A L