

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. 8802
Order No. R-8181

APPLICATION OF SOUTHLAND
ROYALTY COMPANY FOR SPECIAL
POOL RULES, LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 9 and 22, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 7th day of March, 1986, 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, Southland Royalty Company, seeks the promulgation of special pool rules for the South Corbin-Wolfcamp Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

(3) The applicant is the operator of approximately sixty-two percent of the active wells in said pool.

(4) The South Corbin-Wolfcamp Pool was discovered in August, 1967 by the Aztec Oil & Gas Company Federal "MA" Well No. 2 located in Unit I of Section 21, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico.

(5) Although said pool has been voluntarily spaced on 80 acres or more, it has remained since its creation governed by general statewide 40-acre spacing and proration units.

(6) The applicant recently drilled and completed the West Corbin Unit Well No. 5 located 2080 feet from the North line and 560 feet from the West line of Section 17, Township 18 South, Range 33 East, NMPM, and the Huber 17 Federal Well No. 1 located 660 feet from the South line and 660 feet from the West line of said Section 17.

(7) The West Corbin Unit Well No. 5 is located 2540 feet North of the Huber 17 Federal Well No. 1.

(8) Testimony by the applicant at the time of the hearing indicated that there was a difference of approximately 400 psi between the original bottomhole pressures in the West Corbin Unit Well No. 5 and the Huber 17 Federal Well No. 1, which could possibly indicate drainage by the West Corbin Unit Well No. 5 in excess of 40 acres.

(9) The applicant is also the operator of the West Corbin Unit Well No. 1 drilled in 1982 and located 1980 feet from the North line and 660 feet from the East line of Section 18, Township 18 South, Range 33 East, NMPM.

(10) The West Corbin Unit Well No. 1 is located 1220 feet West of the West Corbin Unit Well No. 5 and is also 1320 feet closer to the West Corbin Unit Well No. 5 as is the Huber 17 Federal Well No. 1.

(11) The West Corbin Unit Well No. 5 was drilled as a 40-acre offset to the West Corbin Unit Well No. 1.

(12) The possible drainage of 80 acres by the West Corbin Unit Well No. 1 should have had an affect on the bottomhole pressure or the producing capability, or both, on the West Corbin Unit Well No. 5.

(13) Evidence presented at the hearing indicates that the West Corbin Unit Well No. 5 had a considerably higher initial potential than did the No. 1 well, which may indicate that drainage by the No. 1 well may not have occurred.

(14) Geologic and engineering evidence presented at the hearing was insufficient to indicate that one well in the South Corbin-Wolfcamp Pool is capable of draining 80 acres.

(15) The application of Southland Royalty Company for special pool rules for the South Corbin-Wolfcamp Pool, including a provision for 80-acre spacing, should be denied.

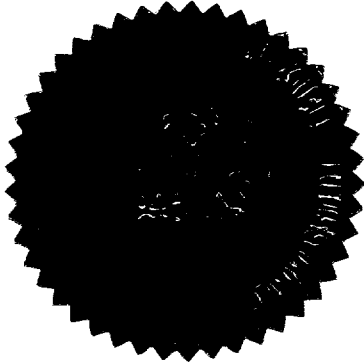
IT IS THEREFORE ORDERED THAT:

(1) The application of Southland Royalty Company for special pool rules for the South Corbin-Wolfcamp Pool, Lea County, New Mexico, including a provision for 80-acre well spacing and proration units, is hereby denied.

(2) The South Corbin-Wolfcamp Pool shall remain on General Statewide Rules and Regulations including 40-acre spacing.

(3) 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.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. STAMETS
Director

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