

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. 8282
Order No. R-7624

APPLICATION OF TENNECO OIL COMPANY
FOR SEVEN NON-STANDARD PRORATION
UNITS, SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on July 25, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of August, 1984, 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, Tenneco Oil Company, seeks approval of seven non-standard gas proration units in the Blanco Mesaverde Pool comprising the following described areas in San Juan County, New Mexico, each unit to be dedicated to an existent well already drilled thereon, also described below:

Eaton Com "B" Well No. 1
Township 29 North, Range 11 West, NMPM
Section 25: SE/4 (160 acres)

Bruce Sullivan Com "B" Well No. 1
Township 29 North, Range 11 West, NMPM
Section 25: NW/4 (160 acres)

Sullivan Frame Com "B" Well No. 1
Township 29 North, Range 10 West, NMPM
Section 30: NW/4 (160 acres)

Bruce Com Well No. 1
Township 29 North, Range 10 West, NMPM

Section 19: NW/4 (157.1 acres)

Sullivan Frame "A" Well No. 1-E
Township 29 North, Range 10 West, NMPM
Section 30: NE/4 (160 acres)

Sullivan Gas Unit "A" Well No. 1-E
Township 29 North, Range 11 West, NMPM
Section 25: SW/4 (160 acres)

Marcus G. Eaton Gas Unit "A" Well No. 1-E
Township 29 North, Range 11 West, NMPM
Section 25: NE/4 (160 acres)

(3) That the above wells were completed in the Blanco Mesaverde Pool, pursuant, in part, to Division Order No. R-6313, dated April 15, 1980.

(4) That on August 6, 1982 in Division Order No. R-7046 the Commission extended the limits of the Blanco-Mesaverde Pool to include the acreage dedicated to the above wells.

(5) That at the time the above wells were completed, the spacing in the Mesaverde formation was 160 acres.

(6) That there are substantial differences in ownership of interests between the two 160-acre tracts which would be included in a standard 320-acre dedication in the Blanco-Mesaverde Pool.

(7) That all mineral interests owners in the Blanco-Mesaverde Pool in the seven proposed non-standard proration units which are the subject matter of this application share in production from the Blanco-Mesaverde Pool.

(8) That requiring the rededication of 320 acres to each Blanco-Mesaverde well will result in a dilution of the interest of the working interest owners.

(9) That there is a wide variation in production from the Blanco-Mesaverde wells which would comprise the new 320-acre units.

(10) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Blanco-Mesaverde 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 seven non-standard gas proration units in the Blanco-Mesaverde Pool, NMPM, San Juan County, New Mexico, are hereby established and dedicated to wells as follows:

Eaton Com "B" Well No. 1
Township 29 North, Range 11 West, NMPM
Section 25: SE/4 (160 acres)

Bruce Sullivan Com "B" Well No. 1
Township 29 North, Range 11 West, NMPM,
Section 25: NW/4 (160 acres)

Sullivan Frame Com "B" Well No. 1
Township 29 North, Range 10 West, NMPM
Section 30: NW/4 (160 acres)

Bruce Com Well No. 1
Township 29 North, Range 10 West, NMPM
Section 19: NW/4 (157.1 acres)

Sullivan Frame "A" Well No. 1-E
Township 29 North, Range 10 West, NMPM
Section 30: NE/4 (160 acres)

Sullivan Gas Unit "A" Well No. 1-E
Township 29 North, Range 11 West, NMPM
Section 25: SW/4 (160 acres)

Marcus G. Eaton Gas Unit "A" Well No. 1-E
Township 29 North, Range 11 West, NMPM
Section 25: NE/4 (160 acres)

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

-4-

Case No. 8282
Order No. R-7624

DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY,
Director

S