

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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APR 28 1980

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

O. C. D.
ARTESIA, OFFICE

CASE NO. 6836
Order No. R-6323

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR AN NGPA DETERMINATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 12, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 24th day of April, 1980, 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, Anadarko Production Company, seeks a determination by the Division, in accordance with Sections 2 (6) and 102 of the Natural Gas Policy Act of 1978, and the applicable rules of the Federal Energy Regulatory Commission, that its New Mexico "AA" State Well No. 1, located in Unit F of Section 35, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, has discovered a new onshore reservoir from which natural gas was not produced in commercial quantities before April 20, 1977.
- (3) That said well was originally completed in the Lower Morrow formation in January, 1979, with perforations from 10,949 feet to 10,959 feet and a total depth of 11,705 feet.
- (4) That after some six months of production, during which slightly less than one-half billion cubic feet of gas was produced from the well, the Lower Morrow formation was adjudged to

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be depleted, whereupon workover and recompletion operations in the Middle Morrow formation were begun.

(5) That said well was completed in the Middle Morrow formation in September, 1979, with perforations from 10,794 feet to 10,806 feet and from 10,816 feet to 10,821 feet, with a plugged back total depth of 10,870 feet.

(6) That although there are several wells in the general vicinity of said New Mexico "AA" State Well No. 1 which have penetrated or are completed in the Middle Morrow formation, non-productive wells in said formation between said wells and the subject well indicate non-continuous porosity and permeability.

(7) That said non-continuous porosity and permeability, combined with pressure differentials between the subject well and other wells in the general vicinity which are completed in the Middle Morrow formation, indicate that the subject well is completed in a heretofore undrained reservoir.

(8) That the combined geological and engineering data presented establishes that said New Mexico "AA" State Well No. 1 has been completed in a new onshore reservoir as defined by the provisions of Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission.

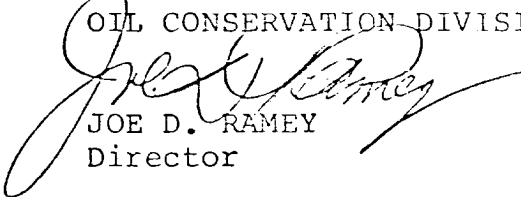
IT IS THEREFORE ORDERED:

(1) That the Anadarko Production Company New Mexico "AA" State Well No. 1, located in Unit F of Section 35, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, is completed in a new onshore reservoir as defined by Sections 2 (6) and 102 of the Natural Gas Policy Act of 1978, and the applicable rules of the Federal Energy Regulatory Commission.

(2) That jurisdiction of this cause is hereby 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


JOE D. RAMEY
Director

S E A L
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