

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

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

MAY 11 1981

O. C. D.
ARTESIA, OFFICE

CASE NO. 7193
Order No. R-6683

APPLICATION OF SOUTHLAND ROYALTY
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 11, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of May, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

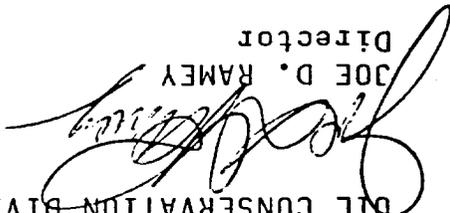
(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Southland Royalty 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 State 14 Com. Well No. 1 located in Unit E of Section 14, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, has discovered two new onshore reservoirs from which natural gas was not produced in commercial quantities before April 20, 1977.

(3) That said well was completed in the Atoka formation with perforations from 10,760 feet to 10,768 feet, and a plugged-back depth of 11,355 feet after having been drilled to a total depth of 11,556 feet.

(4) That said well was completed in the Morrow formation with perforations from 11,214 feet to 11,312 feet.

STATE OF NEW MEXICO
 OIL CONSERVATION DIVISION
 Director
 JOE D. RAMEY



- entry of such further orders as the Division may deem necessary.
- DONE at Santa Fe, New Mexico, on the day and year herein-
 above designated.
- (2) That jurisdiction of this cause is retained for the
 entry of such further orders as the Division may deem necessary.
- mission.
 and the applicable rules of the Federal Energy Regulatory Com-
 Sections 2 (6) and 102 of the Natural Gas Policy Act of 1978,
 the Atoka formation and in the Morrow formation as defined by
 County, New Mexico, is completed in a new onshore reservoir in
 of Section 14, Township 19 South, Range 29 East, NMPM, Eddy
 (1) That the State 14 Com. Well No. 1, located in Unit E

IT IS THEREFORE ORDERED:

- applicable rules of the Federal Energy Regulatory Commission.
 of Section 102 of the Natural Gas Policy Act of 1978 and the
 tion and in the Morrow formation as defined by the provisions
 been completed in a new onshore reservoir in the Atoka forma-
 presented establishes that said State 14 Com. Well No. 1 has
 (6) That the combined geological and engineering data
 of the subject well which have penetrated and are or were com-
 pleted in the Atoka and Morrow formations, which wells might
 disqualify the subject well from a category 102 determination,
 pressures and productive capacity encountered in said State 14
 Com. Well No. 1 as compared to said wells are completely dis-
 tinctive and are indicative of non-communication therewith.
- (5) That although there are wells in the general vicinity