

30-015-26140

IT IS THEREFORE ORDERED THAT: R-8951

APPR. 6-16-89

NSL

(1) The application of Bill Fenn, Inc. for an unorthodox gas well location for the Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool is hereby approved for a well to be drilled 825 feet from the North line and 1650 feet from the East line (Unit B) of Irregular Section 7, Township 22 South, Range 24 East, NMPM, Eddy County, New Mexico.

(2) Said well is to be dually completed in such a manner as to permit production of gas from the Undesignated Indian Basin-Morrow Gas Pool through a long string of 2 3/8-inch tubing and the production of gas from the Indian Basin-Upper Pennsylvanian Gas Pool through a parallel short string of 2 3/8-inch tubing; separation between said zones is to be accomplished by a packer to be set in a 4 1/2-inch liner at a depth of approximately 7800 feet.

(3) All of said Irregular Section 7 shall be dedicated to the above-described well forming a 617.68-acre gas spacing and proration unit for both pools.

(4) Said well is hereby assigned a production limitation factor of 0.78 in both of the aforementioned pools to be applied as set out in Finding No. (11) of this order. gas pool

(5) The aforesaid production limitation factor shall be applied against the well's monthly allowable as set by the Division in the Indian Basin-Upper Pennsylvanian Gas Pool and the Indian Basin-Morrow Gas Pool.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

IT IS THEREFORE ORDERED THAT: R-8951-A
7-21-89

(1) Finding Nos. 9, 10 and 11 on pages 2 and 3 of said Order No. R-8951 be and the same are hereby amended to read as follows:

"(9) The proposed 16.23% production penalty submitted by the applicant takes into consideration that Section 7 is an irregular section containing 617.68 acres which proportionately reduces its acreage participation to approximately 97% of a standard section; the subject well has a drainage of approximately 100.27 acres outside its permitted drainage area, more than the well located at the nearest standard gas well location within the unit, being 1650 feet from the North and East lines (Unit G) of said Section 7."

"(10) The proposed 16.23% production penalty is reasonable and appropriate."

"(11) The aforesaid production limitation factor should be applied against the well's monthly allowable as set by the Division for both the Indian Basin-Upper Pennsylvanian Gas Pool and the Indian Basin-Morrow Gas Pool; this may be accomplished by assigning said well an acreage factor of 0.8377 (100% minus 16.23% is equal to 83.77%)."

(2) Decretory Paragraph No. (4) on page 4 of Order No. R-8951 be and the same is hereby amended to read as follows:

"(4) Said well is hereby assigned a production limitation factor of 0.8377 in both of the aforementioned pools to be applied as set out in Finding No. (11) of this order."

(3) The corrections set forth in this order be entered nunc pro tunc as of June 16, 1989.