

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 11259
ORDER NO. R-10363

**APPLICATION OF CHEVRON U.S.A. INC.
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 20, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 3rd day of May, 1995, the Division Director, having considered 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, Chevron U.S.A. Inc. ("Chevron"), seeks approval for its W. T. McComack Well No. 18, formerly the Central Drinkard Unit Well No. 428, (**API No. 30-025-26447**) to be recompleted to the Tubb Oil and Gas Pool at an unorthodox gas well location 210 feet from the North line and 2390 feet from the East line (Unit B) of Section 32, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, the NE/4 of said Section 32 is to be dedicated to said well to form a standard 160-acre gas spacing and proration unit for said pool.

(3) Chevron originally filed this application with the Division on December 13, 1994 for administrative review under the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Tubb Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

(4) The subject well was drilled in late 1979 and completed in the Drinkard Pool at an unorthodox oil well location, approved by Division Administrative Order NSL-1071, dated September 4, 1979.

(5) It is Chevron's intent to plug back the Drinkard interval and to recomplete this well up-hole into the Tubb formation as a gas well.

(6) During the administrative review process of this application a "notification" problem arose. To assure that all offsetting operators were given proper notice and had ample opportunity to object to this application, this matter was docketed for hearing.

(7) When this case was called at the hearing no interested party or offset operator appeared in opposition to this application.

(8) Approval of this application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Tubb Oil and Gas 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 should otherwise prevent waste and serve to protect correlative rights.

IT IS THEREFORE ORDERED THAT:

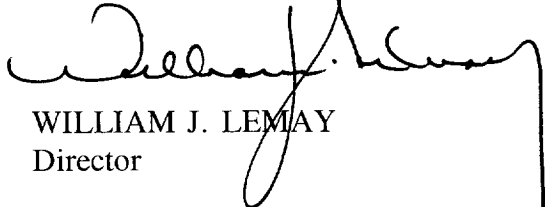
(1) The application of Chevron U.S.A. Inc. ("Chevron") to recomplete its W. T. McComack Well No. 18, formerly the Central Drinkard Unit Well No. 428, (API No. 30-025-26447) from the Drinkard Pool to the Tubb Oil and Gas Pool at an unorthodox gas well location 210 feet from the North line and 2390 feet from the East line (Unit B) of Section 32, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby approved.

(2) The NE/4 of said Section 32 shall be dedicated to said well to form a standard 160-acre gas spacing and proration unit for said pool.

(3) Jurisdiction 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



WILLIAM J. LEMAY
Director

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