

Entered January 16, 1980
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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. 6760
Order No. R-6237

APPLICATION OF SUN OIL COMPANY FOR
APPROVAL OF AN UNORTHODOX LOCATION,
NON-STANDARD PRORATION UNIT, INFILL
FINDINGS, AND SIMULTANEOUS DEDICATION,
ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of January, 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, Sun Oil Company, seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 36, Township 7 South, Range 35 East, NMPM, Todd-Upper San Andres Gas Pool, Roosevelt County, New Mexico, to be dedicated to its State "AY" Well No. 5, located at an unorthodox location for said pool in Unit E of said Section 36, which well, now a Todd-Lower San Andres Associated Pool oil well, would be dually completed to produce gas from the Upper San Andres formation and oil from the Lower San Andres formation through the casing-tubing annulus and through tubing, respectively, with separation of the zones to be achieved by means of a packer set at approximately 4230 feet.
- (3) That approval of the dual completion of the aforesaid State "AY" Well No. 5 in the Todd-Upper San Andres Gas Pool and of the proposed non-standard 160-acre proration unit for said pool is necessary in order to effectively and efficiently drain

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the gas in said pool underlying the NW/4 of said Section 36.

(4) That the unorthodox location of said well in the Todd-Upper San Andres Gas Pool, being in the NW/4 of Section 36, rather than in the NE/4 or the SW/4 of the section as specified by the pool rules, results from the well originally having been drilled at a standard location for the Todd-Lower San Andres Pool.

(5) That no offset operator objected to the unorthodox location of the subject well in the Todd-Upper San Andres Gas Pool.

(6) That the mechanics of the proposed dual completion of the subject well are feasible and in accord with good conservation practices, assuming that the upper zone, when completed, is classified as a gas well and not as an oil well.

(7) That the proposed dual completion, unorthodox location, and non-standard gas proration unit are in the interest of conservation and will not impair correlative rights nor cause waste and should be approved.

IT IS THEREFORE ORDERED:

(1) That Sun Oil Company is hereby authorized to dually complete its State "AY" Well No. 5 at an unorthodox location for the Todd-Upper San Andres Gas Pool 1980 feet from the North line and 660 feet from the West line of Section 36, Township 7 South, Range 35 East, NMPM, Roosevelt County, New Mexico, in such a manner as to produce gas from said pool through the casing-tubing annulus and to produce oil from the Todd-Lower San Andres Associated Pool through tubing, with separation of the zones to be achieved by means of a packer set at 4230 feet.

(2) That the aforesaid unorthodox gas well location in the Todd-Upper San Andres Gas Pool is hereby approved, as is a 160-acre non-standard gas proration unit for the subject well in said pool comprising the NW/4 of the above-described Section 36.

(3) That the subject well shall receive an acreage factor of 0.5 for allowable purposes in the Todd-Upper San Andres Gas Pool.

(4) That the applicant shall complete, operate, and produce the subject well in accordance with the provisions of Rule 112-A of the Division Rules and Regulations insofar as said rule is not inconsistent with this order;

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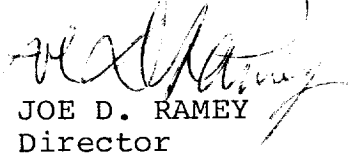
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PROVIDED HOWEVER, that the applicant shall take Packer Leakage tests upon completion and annually thereafter during the Annual Shut-In Pressure Test Period for the Todd-Upper San Andres Gas Pool.

(5) That jurisdiction of this cause is 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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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