

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. 6768
Order No. R-6241

APPLICATION OF ALPHA TWENTY-ONE
PRODUCTION COMPANY FOR TWO NON-
STANDARD GAS PRORATION UNITS,
COMPULSORY POOLING, UNORTHODOX
WELL LOCATION AND APPROVAL OF
INFILL DRILLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 3, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

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, Alpha Twenty-One Production Company, seeks approval of a 40-acre non-standard gas proration unit comprising the SW/4 SE/4 of Section 21, Township 24 South, Range 37 East, NMPM, to be dedicated to the El Paso Natural Gas Company Shell Black Well No. 2.
- (3) That the applicant further requested the pooling of all mineral interests in the Jalmat Gas Pool underlying the E/2 SW/4 and NW/4 SE/4 of said Section 21 to form a 120-acre non-standard gas proration unit to be dedicated to a well to be drilled at an unorthodox location 990 feet from the South line and 1650 feet from the West line of said Section 21 and a finding that the drilling of said well is necessary to effectively and efficiently drain that portion of the existing proration unit which cannot be so drained by the existing well thereon.

(4) That at the time of the hearing all parties in the proposed 120-acre non-standard proration unit had agreed and that portion of the application relating to compulsory pooling thereof should be dismissed.

(5) That a well at said unorthodox location will better enable applicant to produce the gas underlying the 120-acre proration unit.

(6) That no offset operator objected to the proposed unorthodox location.

(7) That the evidence in this case indicates that the proposed well on the 120-acre non-standard unit at the requested unorthodox location should recover at least 213 million cubic feet of gas from the Jalmat Gas Pool which cannot be produced by the existing well thereon.

(8) That both proposed non-standard proration units may reasonably be presumed productive of gas from the Jalmat Gas Pool and that said proration units can be efficiently and economically drained and developed by the aforesaid wells.

(9) That approval of the subject application will afford the applicant and El Paso Natural Gas Company the opportunity to produce their just and equitable share of the gas in the Jalmat 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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 40-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the SW/4 SE/4 of Section 21, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the El Paso Natural Gas Company Shell Black Well No. 2.

(2) That a 120-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the E/2 SW/4 and NW/4 SE/4 of said Section 21 is hereby established and dedicated to an Alpha Twenty-One Production Company well to be drilled at an unorthodox location, hereby approved, 990 feet from the South line and 1650 feet from the West line of said Section 21. The authorization for infill drilling in the Jalmat Gas Pool granted by this order is necessary to permit the drainage of a portion of the reservoir covered by the 120-acre non-standard proration unit which

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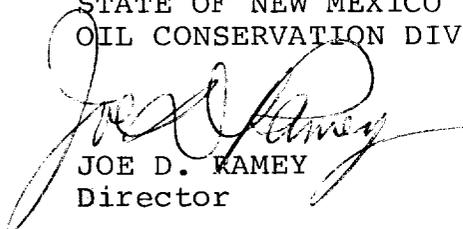
cannot efficiently and economically be drained by any existing well thereon.

(3) That the application for compulsory pooling of the aforesaid 120-acre non-standard gas proration unit is hereby dismissed.

(4) 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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