

Entered May 4, 1981  
JLR

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. 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.

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(5) That although there are wells in the general vicinity of the subject well which have penetrated and are or were completed 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 distinctive and are indicative of non-communication therewith.

(6) That the combined geological and engineering data presented establishes that said State 14 Com. Well No. 1 has been completed in a new onshore reservoir in the Atoka formation and in the Morrow formation as defined by the provisions of Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission.

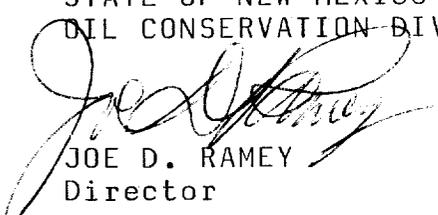
IT IS THEREFORE ORDERED:

(1) That the State 14 Com. Well No. 1, located in Unit E of Section 14, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico, is completed in a new onshore reservoir in the Atoka formation and in the Morrow formation as defined by Sections 2 (6) and 102 of the Natural Gas Policy Act of 1978, and the applicable rules of the Federal Energy Regulatory Commission.

(2) 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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