

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. 8190
Order No. R-7556-A

IN THE MATTER OF CASE 8190 BEING
REOPENED PURSUANT TO THE PROVISIONS
OF ORDER NO. R-7556, WHICH ORDER
ESTABLISHED SPECIAL RULES AND
REGULATIONS FOR THE BRAVO DOME
640-ACRE AREA, UNION, HARDING, AND
QUAY COUNTIES, NEW MEXICO, INCLUDING
A PROVISION FOR 640-ACRE PRORATION UNITS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 3, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 10th day of June, 1987, the Division Director, having considered the testimony, 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) By Order No. R-7556, dated June 19, 1984, temporary special rules and regulations were promulgated by the Division for the Bravo Dome 640-Acre Area, as described on Exhibit "A" of said order, Union, Harding, and Quay Counties, New Mexico, including a provision for 640-acre spacing and proration units.
- (3) Pursuant to the provisions of Order No. R-7556, this case was reopened to allow the operators in the subject area to appear and show cause why the Bravo Dome 640-Acre Area should not be developed on less than 640-acre spacing and proration units.

(4) Amoco Production Company (Amoco), the unit operator of the Bravo Dome Carbon Dioxide Gas Unit, also known as the Bravo Dome 640-Acre Area, as well as several other operators in the area entered appearances at the hearing.

(5) Amoco presented as evidence the results of long term flow tests conducted on three wells located within the Bravo Dome 640-Acre Area.

(6) Amoco also presented as evidence predicted well performance data obtained from two models which were designed using known reservoir parameters and assuming drainage areas of 160 acres and 640 acres.

(7) The results of the flow tests indicate that the actual production data obtained from these tests closely resembles the predicted model performance of a well draining 640 acres.

(8) Amoco further presented bottomhole pressure data obtained from pressure monitor wells located within the Bravo Dome 640-Acre Area which indicates that drainage from offset producing wells is occurring and that these offset wells are draining an area of at least 640 acres.

(9) The evidence presented in this case establishes that one well in the Bravo Dome 640-Acre Area can efficiently and economically drain and develop 640 acres.

(10) The Special Rules and Regulations promulgated by Order No. R-7556 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the gas in the pool.

(11) In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-7556 should be continued in full force and effect until further order of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The Special Rules and Regulations governing the Bravo Dome 640-Acre Area, Union, Harding, and Quay Counties, New Mexico, promulgated by Order No. R-7556, are hereby continued in full force and effect until further order of the Division.

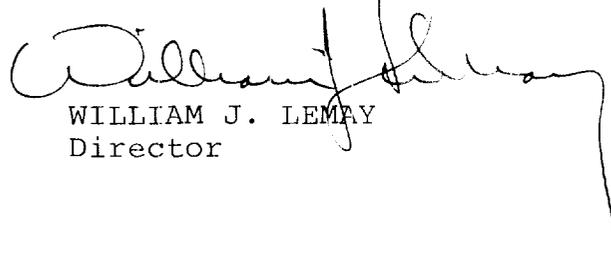
-3-

Case No. 8190
Order No. R-7556-A

(2) 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



WILLIAM J. LEMAY
Director

S E A L

fd/