

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. 9758
Order No. R-9008

APPLICATION OF BETTIS BROTHERS,
INC. FOR ACREAGE REDEDICATION
AND AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 20, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 4th day of October, 1989, 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) The applicant, Bettis Brothers, Inc., is the owner and operator of the State "16" Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 16, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) The subject well, which was drilled and completed in the South Carlsbad-Morrow Gas Pool in 1974, is located at a standard Morrow gas well location and has dedicated to it a standard 320-acre gas spacing and proration unit consisting of the S/2 of said Section 16.

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(4) Due to the depletion of Morrow gas reserves, the applicant has plugged back and recompleted said well to the Strawn formation and seeks approval to rededicate the E/2 of said Section 16 to the subject well forming a standard 320-acre gas spacing and proration unit for said Strawn formation.

(5) As a result of the proposed acreage rededication, the location for the subject well will become an unorthodox Strawn gas well location and the applicant further seeks approval for same.

(6) The applicant presented geologic evidence and testimony which indicates that the productive area within the Strawn formation is likely limited, more or less, to the E/2 of said Section 16.

(7) The evidence further indicates that the interest in the S/2 and the E/2 of said Section 16 is common, and that the proposed acreage rededication will not violate correlative rights.

(8) No other interest owner in said Section 16 and/or offset operator appeared and objected to the proposed acreage rededication and unorthodox gas well location.

(9) Approval of the proposed acreage rededication and unorthodox Strawn gas well location will allow the applicant to produce the Strawn gas reserves underlying the proposed proration unit, thereby preventing waste, and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Bettis Brothers, Inc. for an unorthodox Strawn gas well location for its State "16" Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 16, Township 23 South, Range 26 East, NMPM, Wildcat Strawn Gas Pool, Eddy County, New Mexico, is hereby approved.

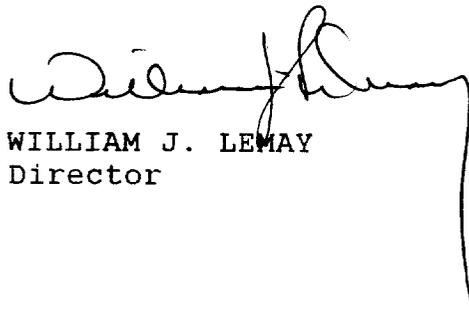
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(2) The E/2 of said Section 16 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for said pool.

(3) 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

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