

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. 9853
Order No. R-9117

APPLICATION OF DAVID H. ARRINGTON
OIL AND GAS, INC. FOR A NON-STANDARD
GAS PRORATION UNIT, LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 7, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 16th day of February, 1990, 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, David H. Arrington Oil and Gas, Inc., seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the W/2 NE/4 and the E/2 NW/4 of Section 21, Township 24 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) The applicant, who has recently acquired the subject acreage by farmout agreement, proposes to recomplete the Texaco Inc. J. F. Black Well No. 4 located 1980 feet from the North and West lines (Unit F) of said Section 21 from the Langlie-Mattix Pool to the Jalmat Gas Pool.

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(4) The subject well is located within the horizontal boundary of the Jalmat Gas Pool, which is a prorated gas pool currently governed by special rules and regulations as promulgated by Division Order No. R-8170, as amended, which require 640-acre standard gas proration units and designated well locations.

(5) The applicant presented geologic evidence and testimony which indicates that the subject well and acreage are located on the eastern flank of the Jalmat reservoir, and that the E/2 E/2 of said Section 21 is likely to be non-productive from the Jalmat Gas Pool.

(6) Within said Section 21, there currently exists two non-standard Jalmat Gas Pool proration units, said units consisting respectively of 120-acres comprising the E/2 SW/4 and NW/4 SE/4, and 40-acres comprising the SW/4 SE/4, both units previously approved by Division Order No. R-6241, dated January 16, 1980.

(7) The entire proposed non-standard gas proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool, and the entire non-standard gas proration unit can be efficiently drained and developed by the aforesaid well.

(8) No offset operator appeared at the hearing in opposition to the application.

(9) Approval of the subject application will afford the applicant the opportunity to produce its 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 THAT:

(1) The application of David H. Arrington Oil & Gas, Inc. for a 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the W/2 NE/4 and E/2 NW/4 of Section 21, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby approved.

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(2) The above-described proration unit shall be dedicated to the Texaco Inc. J. F. Black Well No. 4 located at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 21.

(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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