STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION P. O. Box 2088 SANTA FE, NEW MEXICO 87501

ADMIN	ISTRAT	IVE	ORDER	
NFL	19			

INFILL DRILLING FINDINGS PURSUANT TO SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

Perator Horace F. McKay, Jr. Well Name and No. Sullivan Well No. 3A
ocation: Unit A Sec. 29 Twp. 29N Rng. 10W Cty. San Juan
E DIVISION FINDS:
That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated insuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualic a new onshore production well under Section 103 of said Act, the Division must find that the offill well is necessary to effectively and efficiently drain a portion of the reservoir covered the provation unit which cannot be so drained by any existing well within that unit.
That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative ocedure whereby the Division Director and the Division Examiners are empowered to act for the vision and find that an infill well is necessary.
That the well for which a finding is sought is xxxxxx completed in the <u>Aztec-Pictured Cliffs</u> Pool, and the standard spacing unit in said pool is 160 acres
) That a 160 -acre proration unit comprising the NE/4
Sec. 29 , Twp. 29N , Rng. 10W , is currently dedicated to the Horace F. McKar Jr. Sullivan Well No. 3 located in Unit H of said section.
That this proration unit is (* standard () nonstandard; if nonstandard, said unit was previously Order No
) That said proration unit is not being effectively and efficiently drained by the existing ll(s) on the unit.
) That the drilling and completion of the well for which a finding is sought should result in
e production of an additional 500
That all the requirements of Order No. R-6013-A have been complied with, and that the well in which a finding is sought is necessary to effectively and efficiently drain a portion of the servoir covered by said proration unit which cannot be so drained by any existing well within the it.
) That in order to permit effective and efficient drainage of said proration unit, the subject plication should be approved. IS THEREFORE ORDERED:
That the applicant is hereby authorized to drill the well described in Section I above as an fill well on the existing proration unit described in Section II(4) above. The authorization is infill drilling granted by this order is necessary to permit the drainage of a portion of the servoir covered by said proration unit which cannot be effectively and efficiently drained by existing well thereon.
That jurisdiction of this cause is retained for the entry of such further orders as the vision may deem necessary.
ONE at Santa Fe, New Mexico, on this 27th day of June , 1980
DIVISION DIRECTOR X EXAMINER

Horace F. Mc Kary, fr. P. O. Bar 14738 5900 Tramwary Blvd., N.E. Albuquerque, New Mexico 87111 April 24, 1980

State of New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Sullivan 3J (3A) Well

Sullivan 3

T-29N, R-10W, Section 29 San Juan County, New Mexico

Gentlemen:

In accordance with the <u>Special Rules and Regulations</u>, <u>NGPA Infill Findings</u>, Administrative Procedures (amended February 8, 1980), the following information is submitted for your review.

Rule 5. C-101 and C-102 enclosed.

Rule 6. The well was drilled into the Aztec Pictured Cliff Pool and

the standard spacing unit size is 160 acres.

Rule 7. N/A

Rule 8. Description of all wells drilled on Proration Unit.

	Sullivan 3J (3A)	Sullivan 3
Name - Location	see C-102	see C-102
Spud Date	11/3/78	12/24/56
Completion Date	11/21/78	1/13/57
Mechanical Problems	None	None
Current Production	400 mcf a day	16 mcf a day

I believe it is evident that the Sullivan # 3 well is not capable of effectively and efficiently draining the Proration Unit. The Sullivan # 3 was completed 23 years ago. It was an open-hole completion with a very small frac job. As you can see, production has declined to almost nothing (18 mcf a day) and the Sullivan 3J (3A) production is holding very strong at about 400 mcf a day after about one year of production.

Rule 9.(a) A formation structure map is included.

(b) It is estimated that the Sullivan 3J (3A) will recover an additional 500 mmcf of reserves. The Sullivan 3 has recovered about 450 mmcf. There are several Pictured Cliff wells in the near vicinity which have produced more than a billion cubic feet. By using an average 40 ft. thickness of the sand and an average coosity of 15% and plugging these figures into a long formula from determining reserves, I came up with reserves of about one willion cubic feet of gas.

OIL CONSTRUCTION DIVISION SANTA FE

State of New Mexico
Oil Conservation Division
Sullivan 3J(3A) and Sullivan 3 Wells

page 2

I believe that in order to effectively and efficiently recover the additional reserves, it is necessary to produce the Sullivan 3J (3A) and therefore the infill well was necessary.

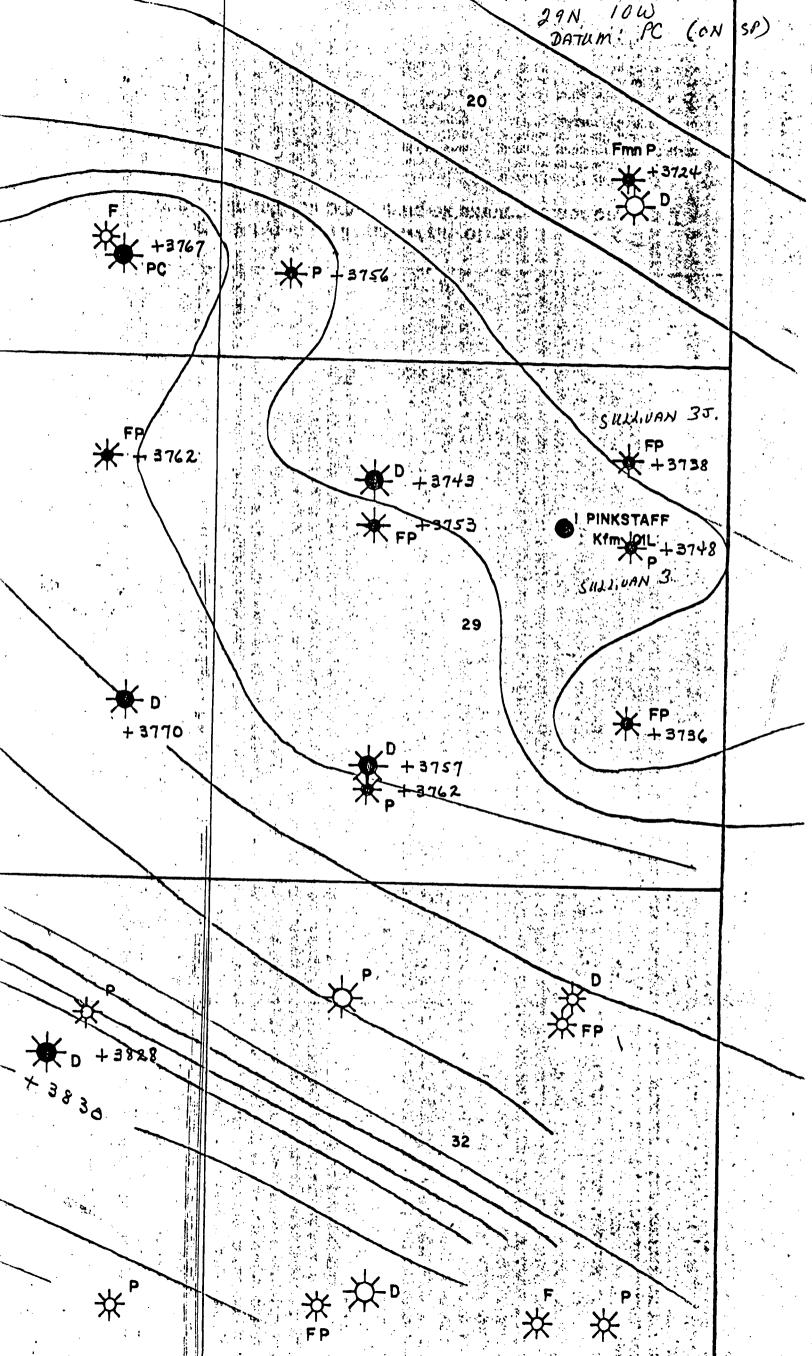
Rule 10. I certify that all offset operators have been notified that an infill finding is being sought.

Yours very truly,

Horace F. McKay, Jr.

HFMCK:mm Encls.







NE I CO OIL CONSERVATION COMMISSIC WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section. erator Well No. 3-A Horace F. McKay, Jr. Sullivan Il Letter Section Range County 29 North 10 West San Juan tual Footage Location of Well: 990 feet from the line and feet from the ound Level Elev. Producing Formation Dedicated Acreage: Aztec Fruitland ex f 5502' Fruitland-Pictured Cliffs 160 Aztec Pictured Cliffs Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc? Tes Yes If answer is "yes," type of consolidation _ ☐ No If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commis-CERTIFICATION I hereby certify that the information com-9 tained herein is true and complete to ti my knowledge and beflef. Sullivan 31 😉 1050 PC AND FRUITLAND Claude C. Kennedy Position Agent Company SPUD DATE 12/24/56 Horace F. McKay, Jr. Cum. PROD. 4810 MMCF Date Nov. 6, 1978 I hereby certify that the well location NOTE: This APPLICATION CONCERNS shown on this plat was plotted from field notes of actual surveys made by me or THE PC SAND ONLY IN THE under my supervision, and that the same SULLIVAH 3A is true and correct to the best of my OIL CONSTRUCTION DIVISION SANTA FE 1500

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5. List of Attachments		1					
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ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

JERRY APODACA GOVERNOR

> NICK FRANKLIN SECRETARY

January 30, 1979

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

P. O. Box 14738
Albuquerque, New Mexico 87111

2514

Re: Administrative Order No. -MC-2502

Dear Sir:

Enclosed herewith please find Administrative Order No. MC-2502 for the following described well:

Sullivan Well No. 3-A located in Unit A, Section 29, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

Yery truly yours,

JOE D. RAMEY
Division Director

JDR/CU/og

cc: Oil Conservation Division 1000 Rio Brazos Road

Aztec, New Mexico



ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 112-A, Horace F. McKay, Jr. made application to the New Mexico Oil Conservation Division on January 10, 1979, for permission to dually complete his Sullivan Well No. 3A located in Unit A of Section 29, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Fruitland formation adjacent to the Aztec-Fruitland Pool and from the Aztec-Pictured Cliffs Pool.

NOW, on this 30th day of January, 1979, the Division Director finds:

- (1) That application has been filed under the provisions of Rule 112-A of the Division's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- (3) That no objections have been received within the waiting period as prescribed by said rule.
- (4) That the proposed dual completion will not cause waste nor impair correlative rights.
- (5) That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, Horace F. McKay, Jr., be and the same is hereby authorized to dually complete its Sullivan Well No. 3A located in Unit A of Section 20, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Fruitland formation adjacent to the Aztec-Fruitland Pool and from the Aztec-Pictured Cliffs Pool through the casing-tubing annulus and the tubing respectively.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

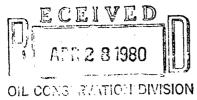
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OLL CONSERVATION DIVISION

OE D. RAMEY Division Director

SEAL

sld Pine



OIL CONSTRUCTION DIVISION SANTA FE

Horace F. Mc Kary, Jr.
P. O. Bar 14738
5900 Tramway Blod, N.E.
Albuquerque, New Maxico 87111
April 24, 1980

State of New Mexico Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Sullivan 3J (3A) Well

Sullivan 3

T-29N, R-10W, Section 29 San Juan County, New Mexico

Gentlemen:

In accordance with the <u>Special Rules and Regulations</u>, <u>NGPA Infill Findings</u>, Administrative Procedures (amended February 8, 1980), the following information is submitted for your review.

Rule 5. C-101 and C-102 enclosed.

Rule 6. The well was drilled into the Aztec Pictured Cliff Pool and the standard spacing unit size is 160 acres.

Rule 7. N/A

Rule 8. Description of all wells drilled on Proration Unit.

	 Sullivan 3J (3A)	Sullivan 3
Name - Location	see C-102	see C-102
Spud Date	11/3/78	12/24/56
Completion Date	11/21/78	1/13/57
Mechanical Problems	None	None
Current Production	400 mcf a day	16 mcf a day

I believe it is evident that the Sullivan # 3 well is not capable of effectively and efficiently draining the Proration Unit. The Sullivan # 3 was completed 23 years ago. It was an open-hole completion with a very small frac job. As you can see, production has declined to almost nothing (18 mcf a day) and the Sullivan 3J (3A) production is holding very strong at about 400 mcf a day after about one year of production.

Rule 9.(a) A formation structure map is included.

It is estimated that the Sullivan 3J (3A) will recover an additional 500 mmcf of reserves. The Sullivan 3 has recovered about 450 mmcf. There are several Pictured Cliff wells in the near vicinity which have produced more than a billion cubic feet.

By using an average 40 ft. thickness of the sand and an average sand plugging these figures into a long formula SANTA FE for determining reserves, I came up with reserves of about one billion cubic feet of gas.

State of New Mexico
Oil Conservation Division
Sullivan 3J(3A) and Sullivan 3 Wells

page 2

I believe that in order to effectively and efficiently recover the additional reserves, it is necessary to produce the Sullivan 3J (3A) and therefore the infill well was necessary.

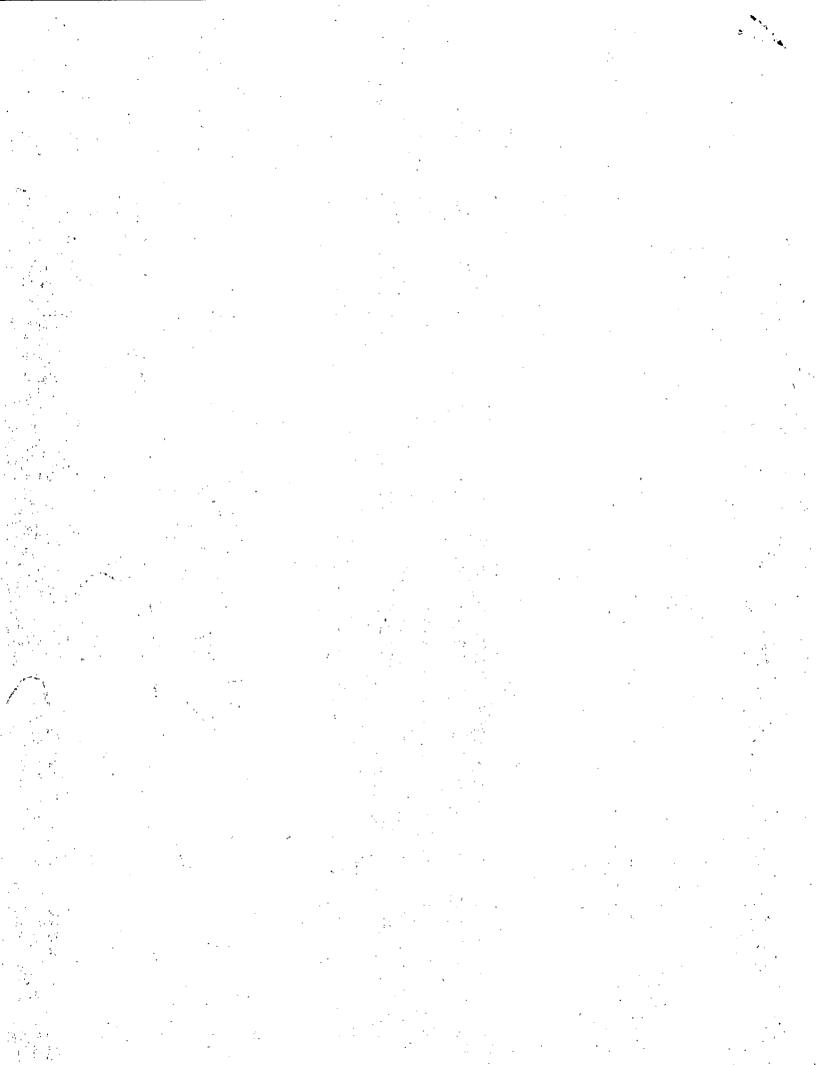
Rule 10. I certify that all offset operators have been notified that an infill finding is being sought.

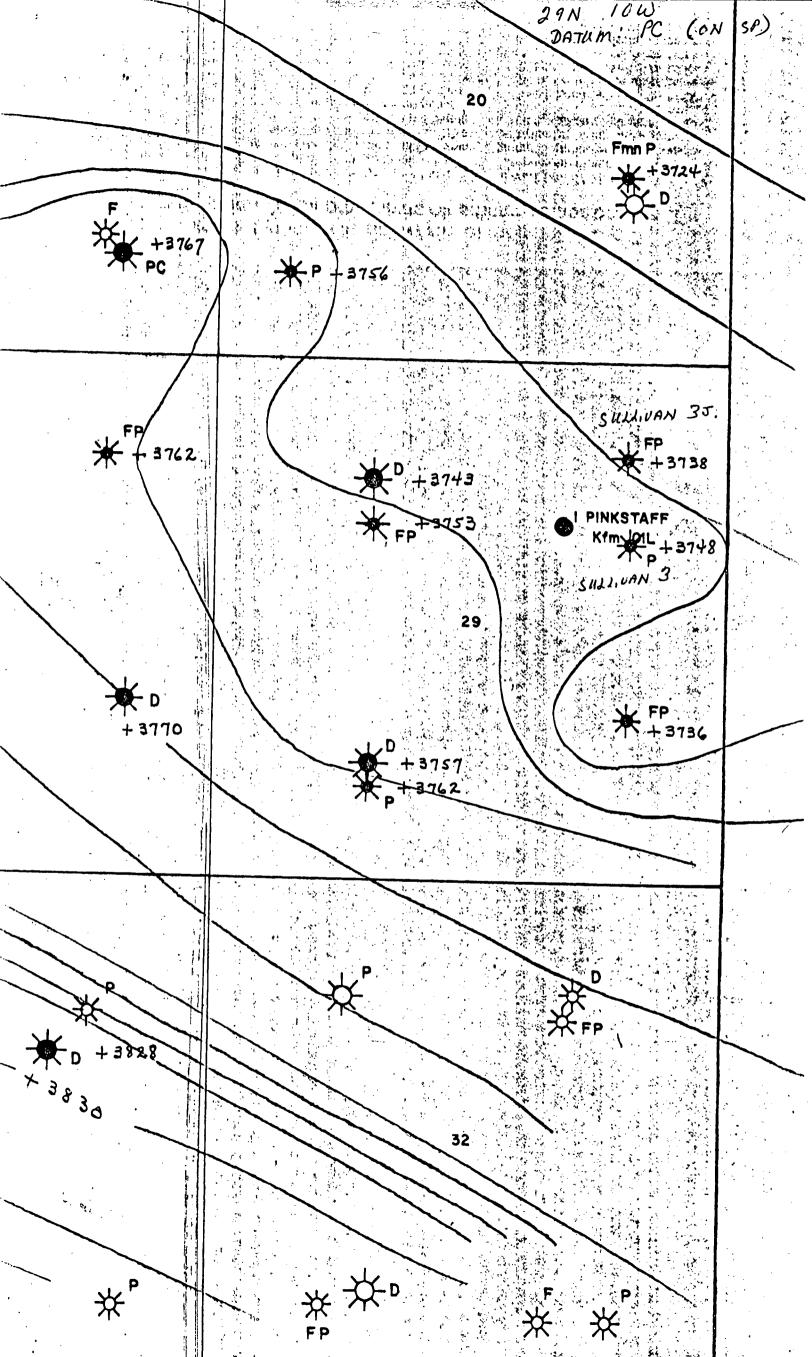
Yours very truly,

Horace F. McKay, Jr.

HFMCK:mm Encls.









CO OIL CONSERVATION COMMISSIO WELL LOCATION AND ACREAGE DEDICATION PLAT

Firm C-102 Effective 1-1-65

All distances must be from the outer boundaries of the Section Horace F. McKay, Jr. Sullivan Section 10 West 29 North San Juan tual Footage Location of Well: 990 feet from the ... East feet from the North 1050 line and Producing Formation Dedicated Acresses Aztec Fruitland ex + 5502 Fruitland-Pictured Cliffs 160 Aztec Pictured Cliffs 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc? If answer is "yes," type of consolidation ີ Yes If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.). No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commis-CERTIFICATION I hereby certify that the information contoined herein is true and complete to the my knowledge and belief. SULLIVAN 3A 1 PC AND FRUITLAND Claude C. Kennedy Position SULLIVAN 3 7 Agent PICTURED CLI Company SPUD DATE 12/24/56 Horace F. McKay, Jr. Nov. 6, 1978 I hereby certify that the well location NOTE: shown on this plot was plotted from field This APPLICATION CONCERNS notes of octual surveys made by me or The PC SAND ONLY IN THE under my supervision, and that the same SULLIVAH 3A is true and correct to the best of my knowledge and belief. OIL CONSTRUCTION DIVISION BANTA FE 그 ~ - - - - - - -1500

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95d4 ORDER NO. MC-2502 M <-2514

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 112-A, Horace F. McKay, Jr. made application to the New Mexico Oil Conservation Division on January 10, 1979, for permission to dually complete his Sullivan Well No. 3A located in Unit A of Section 29, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Fruitland formation adjacent to the Aztec-Fruitland Pool and from the Aztec-Pictured Cliffs Pool.

NOW, on this 30th day of January, 1979, the Division Director finds:

- (1) That application has been filed under the provisions of Rule 112-A of the Division's Rules and Regulations;
- (2) That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- (3) That no objections have been received within the waiting period as prescribed by said rule.
- (4) That the proposed dual completion will not cause waste nor impair correlative rights.
- (5) That the mechanics of the proposed dual completion are feasible and consonant with good conservation practices.

IT IS THEREFORE ORDERED:

That the applicant herein, Horace F. McKay, Jr., be and the same is hereby authorized to dually complete its Sullivan Well No. 3A located in Unit A of Section 20, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, in such a manner as to permit production of gas from the Fruitland formation adjacent to the Aztec-Fruitland Pool and from the Aztec-Pictured Cliffs Pool through the casing-tubing annulus and the tubing respectively.

PROVIDED HOWEVER, That applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A.

PROVIDED FURTHER, That applicant shall take packer-leakage tests upon completion and annually thereafter.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby 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 herein-above designated.

STATE OF NEW MEXICO OLL CONSERVATION

JOE D. RAMEY / Division Director

SEAL





ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

JERRY APODACA GOVERNOR

NICK FRANKLIN SECRETARY

January 30, 1979

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Horace F. McKay, Jr. P. O. Box 14738
Albuquerque, New Mexico 87111

2514

Re: Administrative Order No. -MG-2502

Dear Sir:

Enclosed herewith please find Administrative Order No. MC-2502 for the following described well:

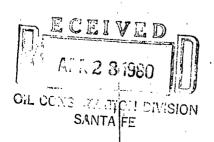
Sullivan Well No. 3-A located in Unit A, Section 29, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico.

Very truly yours,

JOE D. RAMEY / Division Director

JDR/CU/og

cc: Oil Conservation Division 1000 Rio Brazos Road Aztec. New Mexico



256-0070

Horace F. Mc Kary, Jr. P. O. Bar 14138 5900 Tramwary Blvd., N.E. Albuquerque, New Maxico 87111 Dick

May 21, 1980

Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

> Sullivan # 3A - Aztec Pictured Cliff Section 29, Twp. 29N, R. 11W San Juan County, New Mexico Application for NGPA Infill Well.

Gentlemen:

In response to your letter of April 30, 1980, the following information is submitted.

In determining the reserves, the following formula and factors were used:

 $N = H \times \emptyset \times (1-CW) \times \frac{T}{T_1} \times \frac{P_1}{P_2} \times (RF \times No. acre feet)$

N = Gas in place

 \emptyset = Porosity

CW = (1-CW) connate water

T = Temp. corrected to rancing 60°

 T_1 = Formation temperature

P₁= Formation pressure

Po= Pressure base used

H = Number of feet in acres

RF = Recovery factor



43,560 x .15 x .60 x $\frac{60}{60}$ x $\frac{600}{14.73}$ x .90 x 6400 = 919,808,000 Cu. Ft. of gas

It is our opinion and the opinion of two other engineers familiar with the San Juan Basin that a workover of the Sullivan 3 would neither be feasible nor economical. The Sullivan 3 is a 23-year old open-hole completion. It would be necessary to deepen the well, re-log, run a liner, cement and selectively perforate. The present casing would not stand any kind of frac at all. There is a very high probability that we would lose what permeability and porosity we have in the formation when the liner is cemented in place. The risk of damaging the formation and loss of what production we have is too great to consider a program of this sort.

It is our opinion that in this particular case a new well, The Sullivan 3A, is necessary to effectively and efficiently drain the proration unit. By utilizing modern completion techniques in the Sullivan 3A, additional reserves will be

In Sulphan In Sulphan

Energy and Mineral's Department May 20, 1980

-2-

recovered from the proration unit.

I do not have records available that go far enough back to be of any use to come up with a pressure or production decline curve.

Yours very truly,

William J. Mayhew

WJM:mm

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Horace F. Mo Kary, Jr. P. O. Bar 14738 5900 Tramway Blod; N. E. Albuquerque, New Mexico 87111

May 21, 1980

Energy and Minerals Department Oil Conservation Division P. O. Box 2088 Santa Fe. New Mexico 87501

> Sullivan # 3A - Aztec Pictured Cliff Section 29, Twp. 29N, R. 11W San Juan County, New Mexico Application for NGPA Infill Well.

Gentlemen:

In response to your letter of April 30, 1980, the following information is submitted.

In determining the reserves, the following formula and factors were used:

$$N = H \times \emptyset \times (1-CW) \times \frac{T}{T_1} \times \frac{P_1}{P_2} \times (RF \times No. acre feet)$$

N = Gas in place

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CW = (1-CW) connate water

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T₁= Formation temperature

 P_1 = Formation pressure

Po= Pressure base used

H = Number of feet in acres

RF = Recovery factor

OIL CONSERVATION DIVISION

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$$\frac{60}{60}$$
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It is our opinion that in this particular case a new well, The Sullivan 3A, is necessary to effectively and efficiently drain the proration unit. By utilizing modern completion techniques in the Sullivan 3A, additional reserves will be

Energy and Minerals Department May 20, 1980

-2-

recovered from the proration unit.

I do not have records available that go far enough back to be of any use to come up with a pressure or production decline curve.

Yours very truly,

William J. Mayhew

WJM:mm



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

April 30, 1980

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Horace F. McKay, Jr. P. O. Box 14738 Albuquerque, New Mexico 87111

Re: Application for NGPA Infill Well Findings Under Provisions of Order No. R-6013 -A, Sullivan Well No. 3-A, Sec. 29, T-29-N, R-10-W, Aztec-Pictured Cliffs Pool, San Juan County, New Mexico

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

7/7

R. L. STAMETS
Technical Support Chief

RLS/dr



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR LARRY KEHOE SECRETARY

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Mikan

Re: Application for NGPA Infill Well Findings Under Provisions of,

Order No. R-6013 - A Sullivan

Well No 3-17 See 29-729 No R100

Sun Juan County. New Mexico

We may not process the subject application for infill findings until the required information, forms, or plats checked on the reverse side of this letter are submitted.

Sincerely

R. L. STAMETS
Technical Support Chief

RLS/dr

	A copy of Form C-101 must be submitted.
	A copy of Form C-102 must be submitted.
	The pool name must be shown.
	The standard spacing unit size for the pool must be shown.
	Give the Division Order No. which granted the non-standard proration unit.
	Please state whether or not the well has been spudded and give the spud date, if any.
	Information relative to other wells on the proration unit is incomplete.
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\boxtimes	The geologic and reservoir data is incomplete or insufficient. The following factors used for determining estimated recovery must be shown (pressure, porosity saturations, pressure)
	production declare curve, productione acres). The calculations and formula sused should be shown.
	A pressured/production decline curve would be very nelpful if available.
X	Other: Then should be an explanation as to why workover
	be expected to be successful.

Horace F. Mc Kay, Jr.

9.0. Bar 14738
5900 Tramway Blvd., N.E. JUN S 1980

June 25, 1980

SANTA FE DIVISION

New Mexico Oil Conservation Commission P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Sullivan Well No. 3A

Twp. 29N, Rge 10W, Section 29 San Juan County, New Mexico NGPA INFILL APPLICATION

Gentlemen:

I certify that the information used to determine reserves for the Sullivan 3A proration limit came from the Sullivan 3A Logs and well file.

Very truly yours

Horace F. McKay, Jr.

HFMCK:mm

	A copy of Form C-101 must be submitted.
	A copy of Form C-102 must be submitted.
	The pool name must be shown.
	The standard spacing unit size for the pool must be shown.
	Give the Division Order No. which granted the non-standard proration unit.
	Please state whether or not the well has been spudded and give the spud date, if any.
	Information relative to other wells on the proration unit is incomplete.
X	The geologic and reservoir data is incomplete or insufficient. The factors used for determining estimated recovery must
	be shown (pressure, porosity, saturations, curve, productive
	acres). The calculations and formula used should be shown.
	A pressured/production decline curve would be very helpful
	if available.
X	Other: There should be an explanation as to why workover of the
	Sullivan Well No. 3 would not be expected to be successful.

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION P. O. Box 2088 ANTA FE, NEW MEXICO 87501

Immediate ADMINISTRATIVE ORDER

e //.

INFILL DRILLING FINDINGS PURSUANT TO SECTION 271.305(b) OF THE FEDERAL ENERGY REGULATORY COMMISSION REGULATIONS, NATURAL GAS POLICY ACT OF 1978 AND OIL CONSERVATION DIVISION ORDER NO. R-6013-A

Operator Horace F. Mc Kay Ir. Well Name and No. Sullivan Well No 3 A
Location: Unit 17 Sec. 29 Twp. 29 N Rng. 10 W Cty. Sun Juan
II.
THE DIVISION EINDS:
(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find that the infill well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit.
(2) That by Order No. R-6013-A, dated February 8, 1980, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.
(3) That the well for which a finding is sought is to be completed in the Hztec-Picture d Cliffs Pool, and the standard spacing unit in said pool is 160 acres.
(4) That a
of Sec. 29, Twp. 29 N, Rng. 10 W, is currently dedicated to the Horace F. McKey, Sullivan Will No 3 located in Unit H of said section. (5) That this proration unit is (x) standard () nonstandard; if nonstandard, said unit was previously
approved by Order No.
(6) That said proration unit is not being effectively and efficiently drained by the existing well(s) on the unit.
(7) That the drilling and completion of the well for which a finding is sought should result in
the production of an additional 500 m MCF of gas from the proration unit which would not otherwise be recovered.
(8) That all the requirements of Order No. R-6013-A have been complied with, and that the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.
(9) That in order to permit effective and efficient drainage of said proration unit, the subject application should be approved.
IT IS THEREFORE ORDERED:
(1) That the applicant is hereby authorized to drill the well described in Section I above as an infill well on the existing proration unit described in Section II(4) above. The authorization for infill drilling granted by this order is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.
(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 this day of, 19

DIVISION DIRECTOR