

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

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

Administrative Order
NFL 132

Received By MMO
11/6/86
Rebure 3/19/86

INFILL DRILLING FINDINGS AND WELL-SPACING WAIVER
MADE 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

I.

Operator Sun Exploration & Production Company Well Name and No. Cooper "B" Well No. 5
Location: Unit C Sec. 14 Twp. 24 South Rng. 36 East Cty. Lea

II.

THE DIVISION FINDS:

(1) That Section 271.305(b) of the Federal Energy Regulatory Commission Interim 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, prior to the commencement of drilling, that the 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, and must grant a waiver of existing well-spacing requirements.

(2) That by Order No. R-6013, dated June 7, 1979, 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 Jalmat (Gas) Pool, and the standard spacing unit in said pool is 640 acres.

(4) That a 160-acre proration unit comprising the 1/2 1/2 of Sec. 14, Twp. 24 South, Rng. 36 East, is currently dedicated to the applicant's Cooper "B" Wells Nos. 2 and 3 located in Unit C + A of said section.

(5) That this proration unit is () standard (✓) nonstandard; if nonstandard, said unit was previously approved by Order No. NSP-27.

(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 15,964 MCF of gas from the proration unit which would not otherwise be recovered.

(8) That all the requirements of Order No. R-6013 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 as an exception to the standard well spacing requirements for the pool.

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 an exception to applicable well spacing requirements and 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 March day of 1986.

Remarks: This application meets the qualifications for an effective and efficient finding pursuant to the FERC Rules and Regulations.

DIVISION DIRECTOR

EXAMINER

However, Rule 29 of the Special

Rules forbids acreage dedicated to a gas well

in the Jalmat Gas Pool to be simultaneously dedicated to an oil well in the Jalmat Pool.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

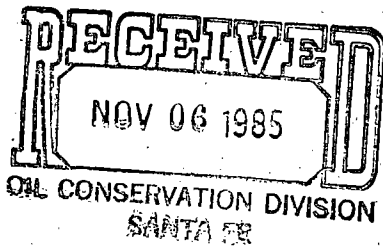
P.O. BOX 2088 - SANTA FE

87501

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMUO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**



November 1, 1985

**Sun Exploration and
Production Company**
Four NorthPark East
5656 Blackwell
P O Box 2880
Dallas TX 75221 2880
214 890 6000

Department of Energy & Minerals
New Mexico Oil Conservation Division
ATTN: Michael E. Stogner
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Your Request for Additional Information
Well Name/No.: Cooper "B" #5
County/State: Lea/NM
API No.: 30-025-28638
Number: 14-24S-36E

Dear Mr. Stogner:

The following information is being furnished in response to your request dated July 11, 1985, regarding the subject well. Should you require further information, you may contact me at the address shown above or by telephone at (214)890-6479.

Attached is "effective and efficient finding" (Infill-Well Finding) for the subject well.

Sincerely,

Gloria Dixon
Analyst, NGPA Compliance

Attachment

GD/pb

BEFORE THE ENERGY AND MINERALS DEPARTMENT OF THE STATE OF NEW MEXICO
OIL AND GAS DIVISION

APPLICANT: SUN EXPLORATION & PRODUCTION COMPANY

Application for a finding pursuant to
18 C.F.R. 271.305 that the Cooper "B"
No. 5-C is necessary to effectively and
efficiently drain a portion of the Jalmat
proration unit, which cannot be effect-
ively and efficiently drained by any well
within the unit.

GAS REGULATIONS
OCT 29 1985
RECEIVED

A F F I D A V I T

STATE OF TEXAS)
) S.S.
COUNTY OF MIDLAND)

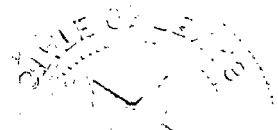
I, James H. Schneider hereby state that I am employed by Sun Exploration and Production Company in the capacity of Reservoir Engineer and that the area addressed by this application for finding pursuant to 18 C.F.R. 271.305 is within the area of my responsibility and all attached exhibits were prepared by me or under my supervision.

I further state the following:

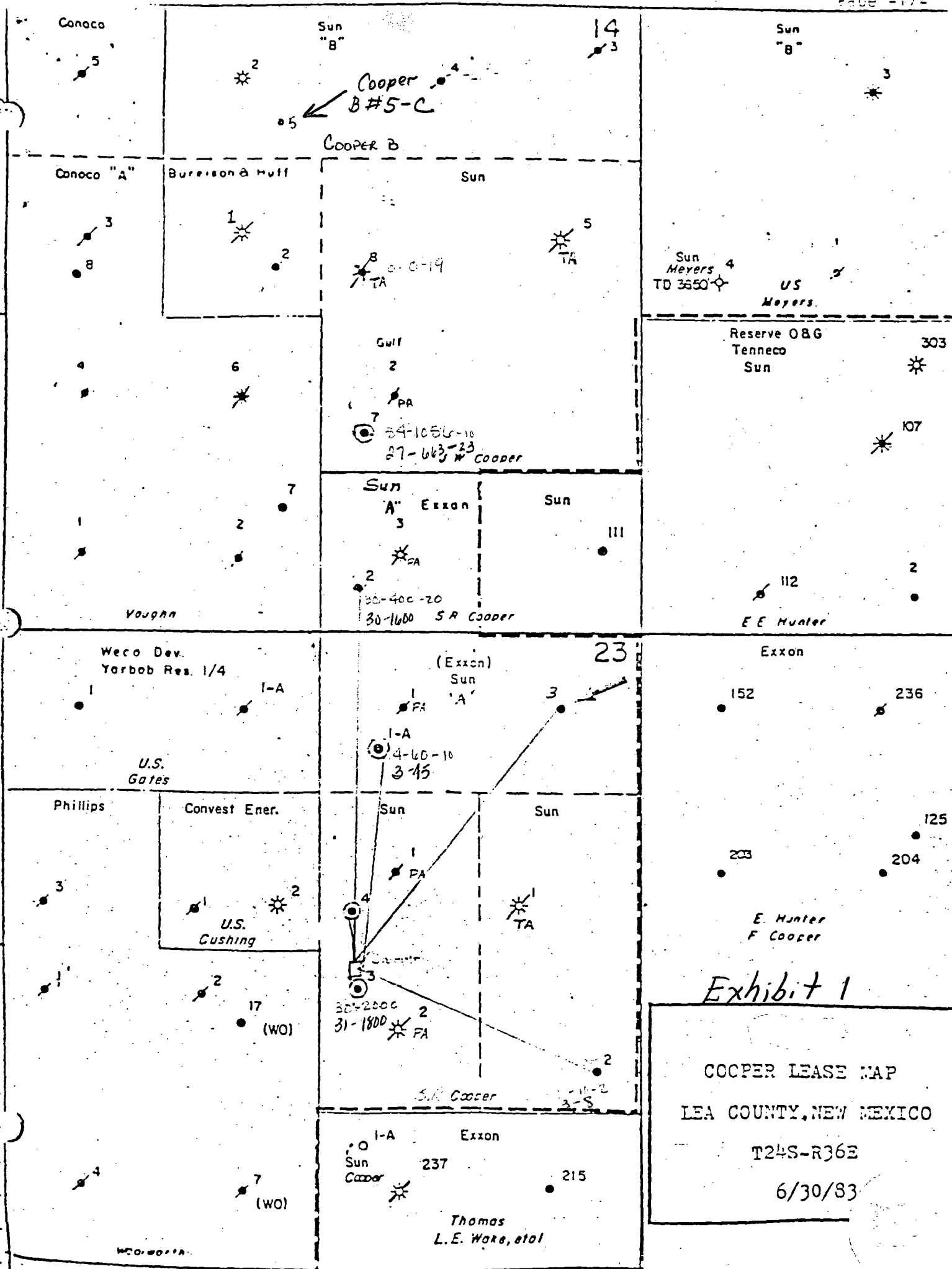
1. The Cooper "B" #5-C, a JALMAT OIL PRODUCER is located 2310' FWL and 990' FNL, Section 14, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, as shown on Exhibit 1.
2. The reserves data in Exhibit 2 are supported by exponential decline curve analysis of the production history curve shown in Exhibit 3.
3. The Cooper "B" #5-C is an oil producer which the 23 MMCF of solution gas cannot be recovered by the gas wells on this lease.

C O N C L U S I O N

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED



NOTED BY PUBLIC



Cooper B#5
Exhibit 3

1000
9
8
7
6
5
4
3
2
1
100
9
8
7
6
5
4
3
2
1
BOPD
GOR
CF/bbl.

30% 6000 = 240 CF/bbl.

70-5 @ 30%/yr = 6657780

Total Gas Recovery = 7390 + 66577(0.24) = 23354 MCF

Total Oil Recovery = 1566 + 6657780 = 8213380

Jan.	19 85	Jan.	19 86	Jan.	19 87	Jan.	19 88	Jan.	19 89
Feb.		Feb.		Feb.		Feb.		Feb.	
Mar.		Mar.		Mar.		Mar.		Mar.	
Apr.		Apr.		Apr.		Apr.		Apr.	
May		May		May		May		May	
June		June		June		June		June	
July		July		July		July		July	
Aug.		Aug.		Aug.		Aug.		Aug.	
Sept.		Sept.		Sept.		Sept.		Sept.	
Oct.		Oct.		Oct.		Oct.		Oct.	
Nov.		Nov.		Nov.		Nov.		Nov.	
Dec.		Dec.		Dec.		Dec.		Dec.	

EXHIBIT 2

COOPER "B" #5
RESERVES

Total Oil Recovery = 82,133 B0
Total Gas Recovery = 23,354 MCF (Solution Gas)

Remaining Reserves As Sept. 1, 1985

66,517 B0
15,964 MCF (Solution Gas)

JALMAT GAS POOL Lea County, New Mexico

Order No. R-1670, Adopting Special Rules and Regulations, in Addition to the General Rules and Regulations for Southeastern New Mexico, for the Jalmat Gas Pool, Lea County, New Mexico, May 20, 1960.

(Order No. R-1670 Supersedes Order No. R-264, Creating the Jalco and Langmat Gas Pools, Lea County, New Mexico, February 17, 1953, as Amended by Order No. R-264-A, November 10, 1953; Order No. R-356, Adopting Rules for Gas Wells in Lea, Eddy, Chavez, and Roosevelt Counties, New Mexico, August 28, 1953; Order No. R-368, September 28, 1953; Order No. R-368-A, November 10, 1953; Order No. R-368-B, December 7, 1953; Order No. R-520, August 12, 1954; Order No. R-520-A, August 31, 1954; Order No. R-553, November 22, 1954; Order No. R-640, May 27, 1955; Order No. R-663, July 7, 1955; Order No. R-690, October 13, 1955; Order No. R-967, April 23, 1957; Order No. R-1092-A, January 1, 1958; Order No. R-1092-B, February 19, 1958; and Order No. R-1092-C, April 25, 1958, were declared void by the Supreme Court of the State of New Mexico in *Continental Oil Company et al. v. Oil Conservation Commission et al.*, 70 N.M. 310, 373 P.2d 809 (1962), whereupon the Jalmat Gas Pool reverted to a straight acreage allocation formula.)

(The Jalmat Gas Pool was created effective September 1, 1954 from a consolidation of the Jalco and Langmat Pools, which were created February 7, 1953. Gas prorationing was instituted in Jalco and Langmat January 1, 1954 and was continued after consolidation to form the Jalmat Gas Pool. The Jalmat Gas Pool now includes acreage that was formerly included in the Jal, Cooper-Jal, Eaves, Falby-Yates, Jalco, and Langmat Pools.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 5(A). A standard gas proration unit in the Jalmat Gas Pool shall be 640 acres.

RULE 5(B). Any well drilled to and producing from the Jalmat Gas Pool, as defined herein, prior to September 1, 1954 at a location conforming with the spacing requirements effective at the time said well was drilled shall be granted a tolerance not exceeding 380 feet with respect to the required distance from the boundary lines.

C. ALLOCATION AND GRANTING OF ALLOWABLES

RULE 8(A). The pool allowable remaining each month after deducting the total allowable assigned to marginal wells shall be allocated among the non-marginal wells entitled to an allowable in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 8(B). Allowables to newly completed gas wells shall commence on the date of connection to a gas transportation facility, as determined from an affidavit furnished to the Commission (Box 2045, Hobbs, New Mexico) by the purchaser, or the date of filing Form C-104, Form C-110, and a plat (Form C-123), whichever date is later.

G. GENERAL

RULE 22. No gas, either dry gas or casinghead gas, shall be flared or vented from any well at any time after ninety (90) days from the date such well is completed. Any operator who desires to obtain an exception to the provisions of Rule 22 of Section I of this order shall submit to the Secretary-Director of the Commission an application for such exception with a sworn statement setting forth the facts and circumstances justifying such exception. The Secretary-Director is hereby author-

ized to grant such an exception whenever the granting of the exception is reasonably necessary to protect correlative rights, prevent waste, or prevent undue hardships on the applicant under all the acts and circumstances as set forth in the statement. The Secretary-Director shall either: (a) grant the exception within 15 days after receipt of the application and statement or (b) thereafter set the application for hearing by the Commission at a regular monthly hearing; provided, however, that no such applicant shall incur any penalty by reason of a delay in setting the application for hearing. Notice of hearing of the application shall be published in the manner provided by law and the Rules of the Commission. If the exception is granted by the Secretary-Director, a list of such exceptions shall be distributed in the Commission's regular mailing list.

The flaring or venting of gas from any well in violation of any provision of this rule will result in suspension of any further allowable until further order of the Commission.

RULE 22(A). Within 15 days after any oil or gas well within the boundaries of the Jalmat Gas Pool is connected to a gas transportation facility, the operator shall file Form C-110 designating the disposition of gas from the well.

RULE 22(B). No extraction plant processing any gas from the Jalmat Gas Pool shall flare or vent such gas unless such flaring or venting is made necessary by mechanical difficulties or unless the gas flared or vented is of no commercial value.

H. MISCELLANEOUS SPECIAL POOL RULES

RULE 25(A). The vertical limits of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 100 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation, except,

RULE 25(B). In the area described immediately below, the vertical limits of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 250 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 18: SE/4 NE/4, SE/4
Section 23: E/2 E/2
Section 24: All
Section 25: N/2
Section 26: E/2 NE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 18: SW/4 NW/4, W/2 SW/4
Section 19: W/2
Section 30: NW/4

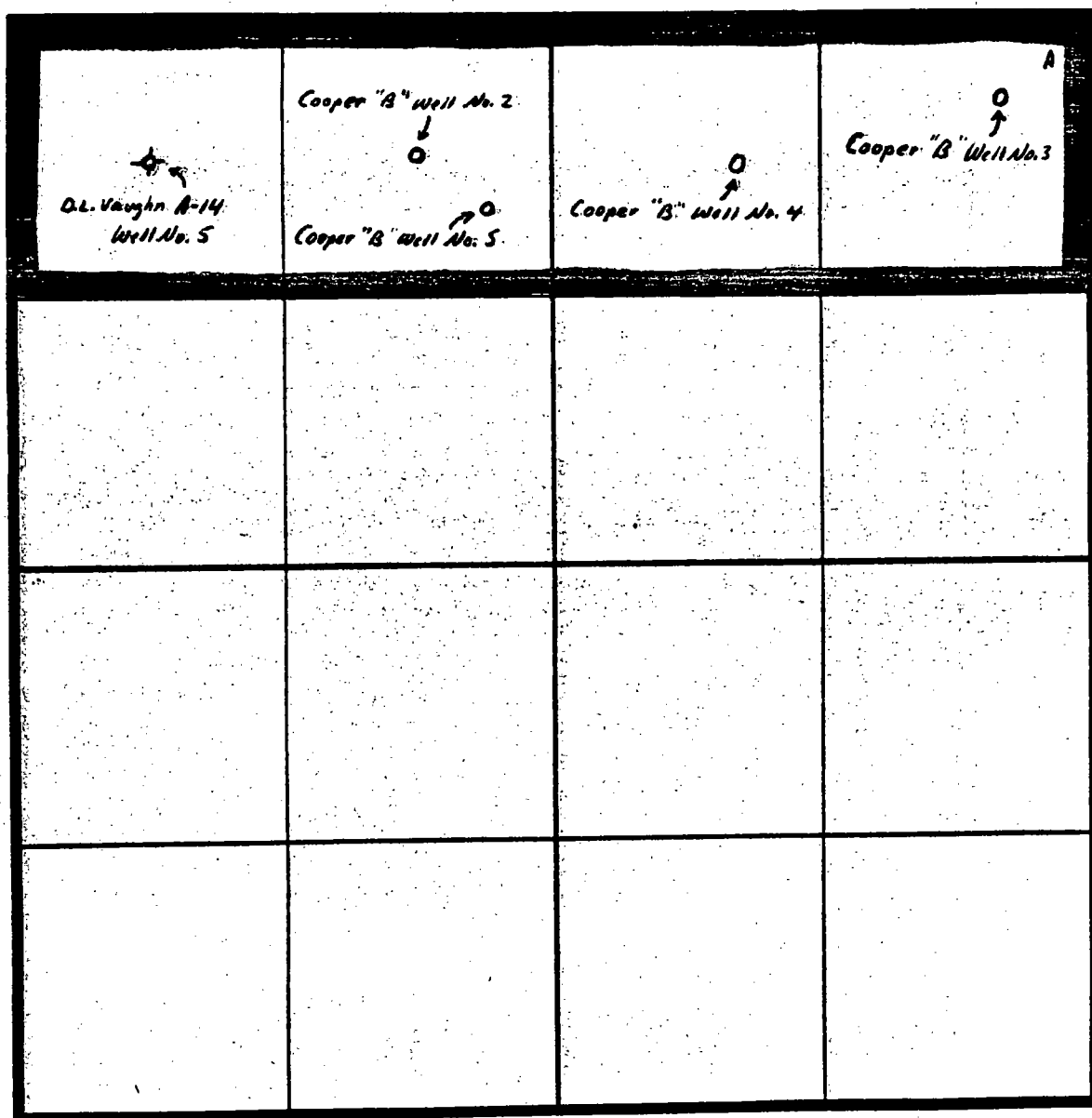
RULE 26(A). A gas well shall mean a well producing with a gas-oil ratio in excess of 100,000 cubic feet of gas per barrel of oil.

RULE 26(B). A well producing from the Jalmat Gas Pool and not classified as a gas well shall be classified as an oil well.

RULE 26(C). Oil wells producing from the Jalmat Gas Pool shall be allowed to produce a volume of gas each day not exceeding the daily normal unit oil allowable multiplied by 10,000; provided, however, that such wells shall not be allowed to produce oil in excess of the normal unit allowable as ordered by the Commission under the provisions of Rule 605.

RULE 27. That portion of the Rhodes Storage Area lying within the defined limits of the Jalmat Gas Pool shall be exempted from the applicable provisions of the Jalmat Gas Pool Rules. The Rhodes Storage Area shall include the following described area:

Sec. 14 Township No. 24 South of Range No. 36 East, N.M.P.M.,
County Lea, New Mexico.



Administrative Order NSP-27, dated November 22, 1954, approved a 160-acre non-standard gas proration unit in the Talmat Gas Pool dedicated to the Cooper "B" Well No. 2.



42-381 50 SHEETS 4 SQUARE
42-382 100 SHEETS 4 SQUARE
42-383 200 SHEETS 4 SQUARE

Unit A

Sun Exploration & Production Company

Cooper "A" Unit No. 3

Spud: 4/12/53

330' RW - 330' FGL

Initial Prod Completion (gas well) 3020' - 3000'

Cumulative Production as of 12/31/94

Gas - 208760 MCF

Oil - 9182 AB

Unit B

Sun Exploration & Production Company

Cooper "B" Unit No. 4

660' RW - 2310' FGL

Spud: 5/1/53

Initial Completion (300' - 2450') presently shut since 1964

Cumulative Production

Gas - 215075 MCF

Oil - 2984 AB



42-381 50 SHEETS 100 SQUARE
 42-382 100 SHEETS 100 SQUARE
 42-383 100 SHEETS 100 SQUARE
 42-384 100 SHEETS 100 SQUARE
 42-385 100 SHEETS 100 SQUARE
 42-386 100 SHEETS 100 SQUARE
 42-387 100 SHEETS 100 SQUARE
 42-388 100 SHEETS 100 SQUARE
 42-389 100 SHEETS 100 SQUARE

Unit C

San Exploration & Production Company

Copey "A" well, No. 2

660' test - 1988/1989

Spud: 9/2/48

Island Prod. Completion (900' well) (5021' - 385')

Cumulative Production as of 12/31/84

Gas - 2123379 MCF

Oil - 0

San Exploration & Production Company

Copey "A" well, No. 5

990' test - 2280' test

Spud: 12/21/54

Island Completion (oil well) (5290' - 3316')

Subject well

Unit D

Continental Oil Company

O.L. V. 4th - A-14 well, No. 5

660' test - 660' test

Spud: 7/6/35

Prod. test: 1942

Island Completion Cumulative Production

Gas - 0

Oil - 171465 BO