

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. 11849
ORDER NO. R-1084-D

APPLICATION OF CHEVRON U.S.A. INC. FOR AN UNORTHODOX GAS WELL
LOCATION, SIMULTANEOUS DEDICATION, AND TO REINSTATE DIVISION ORDER
NO. R-1084-B, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 4, 1997 and on October 23, 1997, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 20th day of November, 1997 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-1084, issued in Case 1335 and dated November 13, 1957, the Division authorized Gulf Oil Corporation (now Chevron U.S.A., Inc.) a 480-acre non-standard gas spacing and proration unit in the Eumont Gas Pool ("GPU") comprising the SW/4 of Section 1 and the N/2 of Section 12, all in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, to be dedicated to its H.T. Mattern (NCT-E) Well No. 10 (API No. 30-025-08730), located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 1.
- (3) By Order No. R-1084-A, issued in Case 4244, dated November 10, 1969, and made effective December 1, 1969, the Division amended said Order No. R-1084 to permit the simultaneous dedication of said 480-acre GPU to the above-described H.T. Mattern (NCT-E) Well No. 10 and to the H.T. Mattern (NCT-E) Well No. 11 (API No. 30-025-08887), located 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 12. Said Order No. R-1084-A also allowed the operator to produce the assigned allowable for said 480-acre GPU from both wells in any proportion.

(4) By Division Order No. R-1084-B, issued in Case 10292 and dated May 23, 1991, aforementioned Order No. R-1084-A was superseded and the Division authorized the deletion of the SW/4 NW/4 of said Section 12 from the 480-acre unit thereby forming a 440-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 of Section 1 and the NE/4, N/2 NW/4 and SE/4 NW/4 of Section 12, to be simultaneously dedicated to both said H.T. Mattern (NCT-E) Well Nos. 10 and 11.

(5) By Division Order No. R-1084-C, issued in Case 10404 and dated November 4, 1991, aforementioned Order No. R-1084-B was superseded and the Division authorized the deletion of the NW/4 NW/4 of said Section 12 from the 440-acre unit thereby forming a 400-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 of Section 1 and the NE/4 and E/2 NW/4 of Section 12, to be simultaneously dedicated to both said H.T. Mattern (NCT-E) Well Nos. 10 and 11.

(6) By Administrative Order NSL-3154(SD), dated September 11, 1992, the Division authorized the inclusion of the H. T. Mattern (NCT-E) Well No. 13 (API No. 30-025-08889), located at an unorthodox gas well location 2310 feet from the North line and 330 feet from the East line (Unit H) of said Section 12, within the above-described 400-acre GPU. Said administrative order further allowed the operator to produce the assigned allowable for the 400-acre GPU from all three wells [H. T. Mattern (NCT-E) Well Nos. 10, 11, and 13] in any proration.

(7) At this time the applicant, Chevron U.S.A., Inc. ("Chevron"), seeks to suspend said Division Order No. R-1084-C and to now reinstate the provisions authorized in Division Order No. R-1084-B by restoring the NW/4 NW/4 (Unit D) of said Section 12 to the current 400-acre GPU thereby reinstating a 440-acre GPU in the Eumont Gas Pool that comprises the following described area in Lea County, New Mexico:

TOWNSHIP 22 SOUTH RANGE 36 EAST NMPM

Section 1: SW/4

Section 12: NE/4, N/2 NW/4, and SE/4 NW/4.

(8) Said acreage rededication is due to a recent recompletion by Chevron of its H.T. Mattern (NCT-E) Well No. 3 (API No. 30-025-08880) located 660 feet from the North and West lines (Unit D) of said Section 12. Until recently said well was completed within and producing from the Eumont Oil Pool and had dedicated thereon a standard 40-acre oil spacing and proration unit comprising the NW/4 NW/4 of said Section 12. Pursuant to **Rule 2(b)4** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*," the location of the H.T. Mattern (NCT-E) Well No. 3 is considered to be "unorthodox" for the proposed 440-acre GPU.

(9) Division records in Santa Fe indicate that the aforementioned H.T. Mattern (NCT-E) Well No. 11 in Unit "B" of said Section 12 was plugged and abandoned by Chevron in early 1995; therefore, this well should be deleted from any order issued in this matter.

(10) At the time Chevron's application was placed on the docket for a Division hearing of this matter, the case was styled such that in the absence of objection this case would be taken under advisement.

(11) No appearances were made in this matter at the time of the hearing.

(12) The applicant has provided sufficient notice to all offset operators pursuant to Division General Rule 1207.

(13) No offset operators or interested parties appeared at the hearing in opposition to this application.

(14) Approval of the proposed application to reestablish a 440-acre GPU in the Eumont Gas Pool comprising the SW/4 of Section 1 and the NE/4, N/2 NW/4 and SE/4 NW/4 of Section 12, all in Township 22 South, Range 36 East, NMPM, Lea County, New Mexico, which is to be simultaneously dedicated to Chevron's H.T. Mattern (NCT-E) Well Nos. 3, 10 and 13 will afford the applicant the right to produce its just and equitable share of gas in the subject pool, is in the best interests of conservation, and will otherwise prevent waste and protect correlative rights.

(15) The provisions of said Division Order No. R-1084-C should be superseded by this order.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Chevron U.S.A., Inc. a 440-acre non-standard gas proration unit in the Eumont Gas Pool comprising the following described area in Lea County, New Mexico, is hereby established:

TOWNSHIP 22 SOUTH RANGE 36 EAST NMPM

Section 1: SW/4

Section 12: NE/4, N/2 NW/4, and SE/4 NW/4.

(2) The allowable assigned to the above-described non-standard gas spacing and proration unit shall be based on the unit size of 440 acres and the operator may produce the allowable assigned to the unit from the following described wells in any proportion:

(a) H.T. Mattern (NCT-E) Well No. 3 (API No. 30-025-08880), located at an unorthodox gas well location herein approved, 660 feet from the North and West lines (Unit D) of said Section 12.

(b) H.T. Mattern (NCT-E) Well No. 10 (API No. 30-025-08730), located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section;

(c) H. T. Mattern (NCT-E) Well No. 13 (API No. 30-025-08889), located at an unorthodox gas well location 2310 feet from the North line and 330 feet from the East line (Unit H) of said Section 12 [previously approved by Division Administrative Order NSL-3154(SD), dated September 11, 1992].

(3) All previous provisions of said Order NSL-3154(SD) not in conflict with this change shall remain in full force and effect until further notice.

(4) Division Order No. R-1084-C, dated November 4, 1991 is hereby superseded.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Handwritten signature of William J. Lemay

WILLIAM J. LEMAY
Director

SEAL