

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:

*(REOPENED) CASE NO. 10669
ORDER NO. R-9875-B*

**APPLICATION OF COLUMBIA GAS DEVELOPMENT CORPORATION FOR POOL
CREATION AND SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO-
REOPENED**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 13, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 21st day of November 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) Order Nos. R-9875 and R-9875-A, issued in Case 10669 and dated April 15, 1993, provided for the creation of the Northeast Pollock-Wolfcamp Pool and established Temporary Special Rules for the pool including a provision for 160-acre spacing. The case was reopened to give operators an opportunity to appear and show cause why the temporary rules should not be rescinded and why said pool should not be developed on 40-acre spacing units.
- (3) Columbia Gas Development Corporation (Columbia), the original applicant, appeared at the reopened hearing to request permanent adoption of the temporary rules.
- (4) Columbia resubmitted evidence which was submitted at the 1993 hearing which shows that its McMillan "34" Well No. 1 is completed in a Wolfcamp reservoir which is separate from other Wolfcamp production.

(5) The McMillan "34" Well No. 1 is located 400 feet from the North line and 1980 feet from the West line (Unit C) of Section 34, Township 14 South, Range 38 East, NMPM, Lea County, New Mexico. It was completed in May, 1992 through Wolfcamp perforations from 9,345 feet to 10,009 feet; initial producing rate was 227 barrels of oil and 40 barrels of water per day. It is within one mile of the Pollock-Wolfcamp Pool.

(6) A Wolfcamp structure map submitted by Columbia shows that the McMillan "34" Well No. 1 is located on a small Wolfcamp structure which includes only portions of the NW/4 of Section 34 and the SW/4 of Section 27 which adjoins Section 34 on the North.

(7) Columbia submitted oil in place and ultimate recovery calculations which show that the McMillan "34" Well No. 1 is expected to recover 13% of the oil in place under a 160-acre drainage area. The applicant's witness testified that this is consistent with primary recovery rates from other Wolfcamp reservoirs. Cumulative oil production from the well through August 1994 is 64,200 barrels. Remaining recovery of 59,800 barrels is expected.

(8) A review of Division production records indicates that Columbia is filing C-115 production reports for the McMillan "34" Well No. 1 which report the pool incorrectly as the Pollock-Wolfcamp Pool. These reports should be corrected to report the correct Pool name - the Northeast Pollock-Wolfcamp Pool.

(9) No operator or interest owner appeared at the hearing in opposition to Columbia's request.

(10) The evidence presented by Columbia indicates that the temporary pool rules for the Northeast Pollock-Wolfcamp Pool should be made permanent.

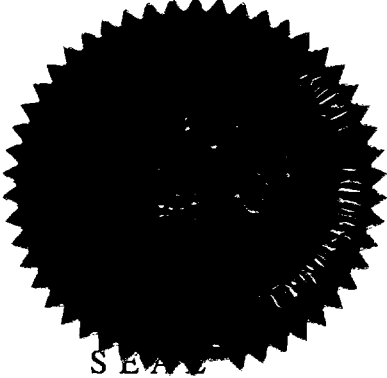
IT IS THEREFORE ORDERED THAT:

(1) The Temporary Special Rules and Regulations for the Northeast Pollock-Wolfcamp Pool, as adopted in Order Nos. R-9875 and R-9875-A, are hereby continued in full force and effect until further order of the Division.

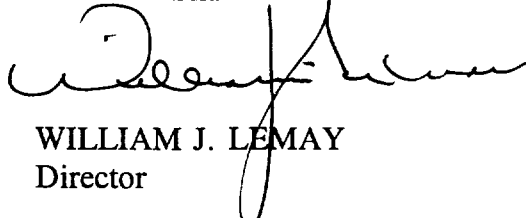
(2) Columbia Gas Development Corporation is hereby directed to file corrected production reports (Forms C-115) for its McMillan "34" Well No. 1 showing the correct pool name which is Northeast Pollock-Wolfcamp.

(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