

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. 9814
Order No. R-9063

APPLICATION OF MEWBOURNE OIL
COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 15, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 27th day of November, 1989, 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, Mewbourne Oil Company, seeks approval to drill its Vogel Well No. 1 at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 14, Township 17 South, Range 26 East, NMPM, Undesignated Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(3) The S/2 of said Section 14 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

CASE NO. 9814
Order No. R-9063
Page -2-

(4) The geologic evidence presented shows that the Yates Petroleum Corporation Haldeman "OU" Comm Well No. 1, located at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 14, was drilled in 1980 to the Morrow formation, encountered approximately four feet of net sand in the Morrow "A" zone, and was subsequently plugged and abandoned after testing uneconomical.

(5) The geologic evidence and testimony further indicate that a well at the proposed location should encounter a greater amount of net sand in the Morrow "A" zone than a well drilled at a standard location thereon, thereby increasing the likelihood of obtaining commercial production.

(6) The affected offset acreage, located in Sections 15 and 22, Township 17 South, Range 26 East, NMPM, is currently operated by Yates Petroleum Corporation.

(7) The applicant presented, as evidence in this case, a written waiver of objection to the proposed unorthodox location from said affected offset operator, Yates Petroleum Corporation.

(8) No other offset operator appeared and/or objected to the proposed unorthodox location.

(9) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject 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 applicant, Mewbourne Oil Company, is hereby authorized to drill its Vogel Well No. 1 at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 14, Township 17 South, Range 26 East, NMPM, Undesignated Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

CASE NO. 9814
Order No. R-9063
Page -3-

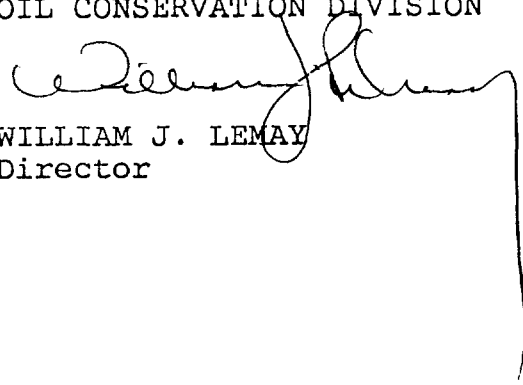
(2) The S/2 of said Section 14 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for said pool.

(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