

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8999
Order No. R-8377

APPLICATION OF V. H. WESTBROOK FOR
HARDSHIP GAS WELL CLASSIFICATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 5, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 31st day of December, 1986, 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, V. H. Westbrook, seeks a determination that its Kinahan Federal Well No. 1, located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 20, Township 15 South, Range 30 East, NMPM, West Cedar Point-Wolfcamp Gas Pool, Chaves County, New Mexico, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

(3) Said well was completed in the Wolfcamp formation in June, 1985, produced relatively small volumes of water until June, 1986, and thereafter experienced substantial increases in water production.

(4) When the well is shut in, extensive swabbing is required to return it to production.

(5) The applicant has installed pumping equipment on this well to remove the fluids.

(6) Evidence presented at the hearing indicates if the well was shut-in and water not pumped off a substantial amount of remaining reserves would be lost.

(7) The applicant should be allowed to produce this well at a rate that is sufficient to justify the added expense in operating the pumping equipment.

(8) Said well should be produced at a rate not to exceed 350 Mcf per day.

(9) To prevent waste, applicant's Kinahan Federal Well No. 1 should be designated a hardship gas well and be given priority access to the available market for gas.

(10) Such classification should be subject to the limitations described in Rule 412 of the Division's Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The V. H. Westbrook Kinahan Federal Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 20, Township 15 South, Range 30 East, NMPM, West Cedar Point-Wolfcamp Gas Pool, Chaves County, New Mexico, is hereby designated as a hardship gas well subject to the following terms and conditions:

- (a) The well will be given priority access to the available gas market;
- (b) The well shall not be produced at a rate in excess of 350 MCFD;
- (c) The hardship classification shall be retained only through December 31, 1987, unless the operator obtains an extension thereof under the terms of Division Rule 412 A; and,
- (d) The well shall be subject to all terms and provisions of Division Rule 412.

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

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



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OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS,
Director