

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. 9021
Order No. R-8381

APPLICATION OF SANTA FE ENERGY
OPERATING PARTNERS, L.P. FOR
HARDSHIP GAS WELL CLASSIFICATION,
EDDY 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, Santa Fe Energy Operating Partners, L.P., seeks a determination that its Walker Well No. 1, located 1980 feet from the South line and 990 feet from the East line (Unit I) of Section 21, Township 22 South, Range 27 East, NMPM, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

(3) Insufficient conclusive evidence was presented in this case upon which to make a finding that waste would occur if said Walker Well No. 1 were shut-in or curtailed below a minimum sustainable flow rate, in that such minimum sustainable flow rate was not determined.

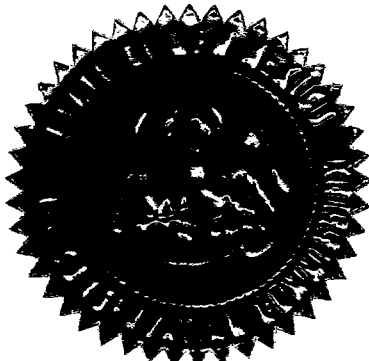
(4) The application for designation of said well as a hardship gas well should be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application of Santa Fe Energy Operating Partners, L.P. for its Walker Well No. 1 located 1980 feet from the South line and 990 feet from the East line (Unit I) of Section 21, Township 22 South, Range 27 East, NMPM, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, to be classified as a Hardship Gas Well is hereby denied.

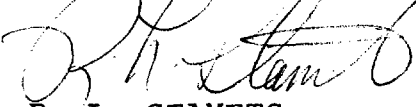
(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

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