

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. 9263
Order No. R-6141-A

APPLICATION OF CONOCO INC. TO
AMEND DIVISION ORDER NO. R-6141,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 18, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of December, 1987, 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-6141 entered in Case No. 6673 on October 12, 1979, the Division approved the application of Conoco Inc. for a non-standard gas proration unit consisting of 440 acres comprising the SW/4 and S/2 NW/4 of Section 17 and the N/2 NE/4, SE/4 NE/4, and the N/2 SE/4 of Section 18, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to the Meyer A-1 Well No. 11 located at an unorthodox location in Unit K of said Section 17 and to the Meyer A-1 Wells Nos. 6 and 14 located at unorthodox locations, respectively, in Units B and J of said Section 18.

(3) The applicant, Conoco Inc., seeks to amend said Order No. R-6141 to allow the drilling of the Meyer A-1 Well No. 19 at an unorthodox location 1980 feet from the North line and 890 feet from the East line (Unit H) of said Section 18, which is proposed to be completed in the Eumont Gas Pool.

(4) The applicant further seeks to amend said Order No. R-6141 for authorization to simultaneously dedicate said 440-acre non-standard proration unit to the proposed Meyer A-1 Well No. 19 and to the existing Meyer A-1 Well No. 11.

(5) The applicant testified that the Meyer A-1 Well No. 19 will be drilled as a replacement well for the Meyer A-1 Wells Nos. 6 and 14, which will be recompleted to the Eunice Monument Grayburg-San Andres Pool and will become unit wells within Chevron's Eunice Monument South Unit Waterflood Project.

(6) The applicant further testified that the drilling of the Meyer A-1 Well No. 19 at the proposed unorthodox location is necessary in order to recover remaining gas reserves underlying the non-standard proration unit and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the Meyer A-1 Wells Nos. 11 and 19.

(7) No offset operator objected to the proposed unorthodox location.

(8) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont Gas 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) Ordering Paragraph No. (1) of Division Order No. R-6141 is hereby amended to read in its entirety as follows:

"(1) A 440-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 and S/2 NW/4 of Section 17 and the N/2 NE/4, SE/4 NE/4, and N/2 SE/4 of Section 18, all in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the following described Conoco Inc. wells located at unorthodox locations, also hereby approved; Meyer A-1 Well No. 11 located 1980 feet from the South and West lines (Unit K) of said Section 17 and the Meyer A-1 Well No. 19 located 1980 feet from the North line and 890 feet from the East line (Unit H) of said Section 18."

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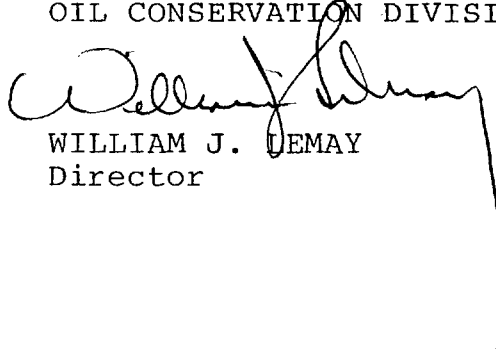
(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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