

**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. 11089 (Reopened)
Order No. R-46-C**

**IN THE MATTER OF CASE NO. 11089 BEING REOPENED PURSUANT TO THE
PROVISIONS OF DIVISION ORDER NO. R-46-A, WHICH ORDER
PROMULGATED TEMPORARY SPECIAL POOL RULES AND REGULATIONS
FOR THE BARKER DOME-AKAH/UPPER BARKER CREEK, BARKER DOME-
DESERT CREEK, AND BARKER DOME-ISLAY POOLS IN SAN JUAN COUNTY,
NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 20, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of April, 1997, 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-46-A issued in Case No. 11089 on February 13, 1995, the Division, upon application of Meridian Oil Inc., redesignated the Barker Creek-Paradox (Pennsylvanian) Gas Pool as the Barker Dome-Paradox Pool and created three new pools for the production of gas from the Paradox member of the Pennsylvanian formation, said pools being designated as the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek Pool and the Barker Dome-Islay Pool.

(3) Order No. R-46-A further promulgated Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Islay Pools, summarized as follows:

<u>POOL NAME</u>	<u>VERTICAL LIMITS</u>	<u>SPACING</u>	<u>WELL LOCATION REQUIREMENTS</u>
Barker Dome-Akah/Upper	8,809'-9,134'*	320-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any Pool governmental quarter-quarter section line or subdivision inner boundary.
Barker Dome-Desert Creek	8,693'-8,809'*	320-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any Pool governmental quarter-quarter section line or subdivision inner boundary.
Barker Dome-Ismay Pool	8,502'-8,693'*	160-acres	No closer than 790 feet to the outer boundary of the proration unit nor closer than 130 feet from any governmental quarter-quarter section line or subdivision inner boundary.

(* -Or its stratigraphic equivalent)
(Note: All depths as found on the log run on the Meridian Oil Inc. Ute Well No. 16 located in Unit I of Section 22, Township 32 North, Range 13 ½ West, La Plata County, Colorado)

(4) Pursuant to the provisions of Division Order No. R-46-A, this case is being reopened to allow the operators in the subject pools to appear and show cause why the Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools should not be rescinded.

(5) Burlington Resources Oil & Gas Company (Burlington), being the successor operator to Meridian Oil Inc., appeared at the hearing and presented evidence and testimony in support of permanently adopting the temporary rules and regulations for the subject pools.

(6) With regards to the Barker Dome-Akah/Upper Barker Creek Pool, Burlington's engineering evidence and testimony indicate that:

- a) during 1996, the applicant drilled and completed three wells in the Barker Dome-Akah/Upper Barker Creek Pool, these being the Ute Mountain Ute Well Nos. 40 and 42, located, respectively, in Sections 20 and 30, and its Ute Well No. 22 located in Section 17, all in Township 32 North, Range 14 West, NMPM;
- b) no wells produced from this interval prior to the drilling of the aforesaid Ute Mountain Ute Well Nos. 40 and 42 and the Ute Well No. 22;

- c) there is insufficient production history at the present time from the aforesaid wells to determine the permanent spacing in the Barker Dome-Akah/Upper Barker Creek Pool.

(7) With regards to the Barker Dome-Desert Creek Pool, Burlington's engineering and geologic evidence and testimony indicate that:

- a) there are currently nine wells completed in the Barker Dome-Desert Creek Pool. In addition, the applicant currently operates five Desert Creek wells located directly to the north in La Plata County, Colorado. Of the nine wells within the Barker Dome-Desert Creek Pool, one was drilled and completed prior to the issuance of Division Order No. R-46-A, and eight were drilled and completed subsequent to the entry of Division Order No. R-46-A;
- b) there is insufficient production history data available at the present time on four of the wells drilled subsequent to the entry of Division Order No. R-46-A to calculate the drainage area of these wells;
- c) the production history and engineering data currently available from the remaining wells completed in the Barker Dome-Desert Creek Pool, or in the Desert Creek formation within La Plata County, Colorado, indicates drainage areas ranging from a minimum of 11 acres to a maximum of 324 acres;
- d) the wide range in drainage areas for wells completed in the Desert Creek formation is attributable to differences in permeability within the reservoir.

(7) With regards to the Barker Dome-Ismay Pool, Burlington's engineering and geologic evidence and testimony indicate that:

- a) there are currently four wells completed in and producing from the Barker Dome-Ismay Pool. In addition, the applicant currently operates five Ismay producing wells located directly to the north in La Plata County, Colorado. Of the four wells completed in the Barker Dome-Ismay Pool, two were drilled and completed prior to the issuance of Division Order No. R-46-A, and two were drilled during 1996, subsequent to the entry of Division Order No. R-46-A;
- b) production history and engineering data were presented by the applicant for the Ute Well No. 16, an Ismay producing well located in Section 22, Township 32 North, Range 13 ½ West, La Plata County, Colorado. This data indicates a drainage area of approximately 30 acres for this well.

(8) The geologic and engineering evidence and testimony presented by the applicant in this case indicate that:

- a) the Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool should remain in effect for an additional two year period to allow the applicant the opportunity to gather sufficient engineering data in order to determine the proper permanent well spacing in this pool;
- b) the Temporary Special Rules and Regulations for the Barker Dome-Desert Creek Pool should be made permanent; and,
- c) the Temporary Special Rules and Regulations for the Barker Dome-Ismay Pool should be made permanent.

(9) No other offset operator and/or interest owner appeared at the hearing to present evidence or testimony.

(10) The continuation of the Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool and the permanent adoption of the Temporary Special Rules and Regulations for the Barker Dome-Desert Creek and Barker Dome-Ismay Pools will allow the continued and orderly development of these pools and will otherwise not violate correlative rights.

(11) This case should be reopened at an examiner hearing in March, 1999, at which time the operators in the Barker Dome-Akah/Upper Barker Creek Pool should be prepared to appear and show cause why the temporary special rules and regulations for said pool should not be rescinded.

IT IS THEREFORE ORDERED THAT:

(1) The Temporary Special Rules and Regulations for the Barker Dome-Akah/Upper Barker Creek Pool, as promulgated by Division Order No. R-46-A, are hereby continued in effect for an additional two year period.

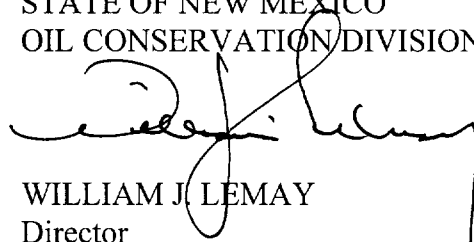
(2) The Temporary Special Rules and Regulations for the Barker Dome-Desert Creek and Barker Dome-Ismay Pools, as promulgated by Division Order No. R-46-A, are hereby permanently adopted.

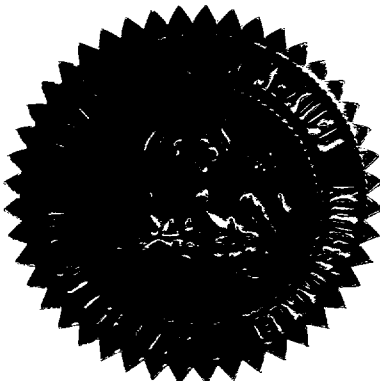
(3) This case shall be reopened at an examiner hearing in March, 1999, at which time the operators in the Barker Dome-Akah/Upper Barker Creek Pool should be prepared to appear and show cause why the temporary special rules and regulations for said pool should not be rescinded.

(4) Jurisdiction is hereby 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



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