

- (b) the "Brunson" interval can be accessed by the Boyce "15" Well No. 3, which will be abandoned in the Townsend-Morrow Gas Pool in the near future due to marginal gas production;
- (c) the E/2 of Section 15 may be experiencing drainage from the offset Arrington Mayfly "14" State Com Well No. 5;
- (d) Arrington has signed a waiver of objection to the application;
- (e) TMBR/Sharp Drilling, Inc., an offset operator, entered an appearance in this case but presented no evidence or testimony in opposition to the application; and
- (f) no other offset operator or interest owner appeared at the hearing in opposition to the application.

(13) Approval of the application will afford the applicant the opportunity to produce its gas reserves within the Atoka "Brunson" interval underlying the E/2 of Section 15, will allow the applicant to utilize an existing wellbore to recover these gas reserves, thereby preventing the drilling of unnecessary wells, will allow the increased recovery of gas from the North Shoe Bar-Atoka Gas Pool within the E/2 of Section 15, thereby preventing waste, and will not violate correlative rights.

(14) The applicant should be required to produce only from the Upper Atoka pay section of the North Shoe Bar-Atoka Gas Pool within the Boyce "15" Well No. 1, and produce only from the "Brunson" interval of the North Shoe Bar-Atoka Gas Pool within the Boyce "15" Well No. 3.

(15) The applicant should not be allowed to drill or recomplete additional infill wells within the E/2 of Section 15 in the North Shoe Bar-Atoka Gas Pool until such time as production operations permanently cease in the Atoka formation in either the Boyce "15" Well No. 1 or the Boyce "15" Well No. 3.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Chesapeake Operating, Inc, is hereby authorized to complete and produce its Boyce "15" Well No. 3 (API No. 30-025-35006) at an unorthodox surface location 2310 feet from the North line and 341 feet from the East line (Unit H) and at an unorthodox bottomhole location 2410 feet from the North line and 443 feet from the East line (Unit H) of Section 15, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico, in the Atoka formation, North Shoe Bar-Atoka Gas Pool.

(2) The applicant is further authorized to simultaneously dedicate the E/2 of Section 15 in the North Shoe Bar-Atoka Gas Pool to the Boyce "15" Well No. 3 and to its existing Boyce "15" Well No. 1 (API No. 30-025-34591) located at a standard gas well location 800 feet from the North line and 660 feet from the East line (Unit A) of Section 15.

(3) The applicant shall produce only from the Upper Atoka pay section of the North Shoe Bar-Atoka Gas Pool within the Boyce "15" Well No. 1 and produce only from the "Brunson" interval of the North Shoe Bar-Atoka Gas Pool within the Boyce "15" Well No. 3.

(4) The applicant shall not drill or recomplete additional infill wells within the E/2 of Section 15 in the North Shoe Bar-Atoka Gas Pool until such time as production operations permanently cease in the Atoka formation in either the Boyce "15" Well No. 1 or the Boyce "15" Well No. 3.

(5) 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

  
LORI WROTENBERY  
Director

SEAL

Received  
Hoots  
OGD

