

- (c) The Chevron proposal to restrict production to the rates which would be allowed if the Culp proration unit were divided as outlined in Findings (4)(c) and (4)(d) is not acceptable to Texaco. They prefer that OCD monitor the allowable producing rates for the wells.
- (d) To prevent drainage of its acreage, Texaco recommended a 55% penalty, resulting in an acreage factor of 1.35 for Chevron's 477.14-acre Culp Com gas proration unit.
- (6) Both Chevron and Texaco indicated they would be agreeable to the assignment of an acreage factor of 1.00 to the SE/4 of said Section 19 (Well No. 9) and a factor of 1.98 to the N/2 of the section (Wells Nos. 10 and 11) if this could be done without dividing the Culp Com gas proration unit.
- (7) OCD does not have procedures available to assign acreage factors as set out in Finding (6) above. However a penalized acreage factor for the entire proration unit could be developed to accomplish essentially the same result.
- (8) The Chevron Culp Com Well No. 9 is a marginal well which produced at a rate of 170 MCF per day during June and July, 1991 (based on OCD records). An acreage factor of 0.28 would result in the assignment of an allowable equal to the recent producing rate of Well No. 9. The acreage factor for the 317.14-acre N/2 of Section 19 should be set at 1.98; ( $\frac{317.14}{160}$ ). Total acreage factor for the Culp Com Gas Proration Unit would be 2.26;  $0.28 + 1.98 = 2.26$ .
- (9) Chevron and Texaco will be able to review production information from all three Culp Com wells to be sure that producing rates are in line with the assigned acreage factor.
- (10) No other offset operator or interested party objected to the proposed unorthodox location.
- (11) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in the affected pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

- (1) An unorthodox gas well location in the Eumont Gas Pool is hereby approved for the Chevron U.S.A. Inc., B.V. Culp (NCT-A) Gas Com Well No. 11 to be drilled 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 19, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

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(2) An existing 477.14-acre non-standard gas spacing and proration unit consisting of Lots 1 and 2, NE/4, E/2 NW/4 and SE/4 of said Section 19 shall be simultaneously dedicated to the B. V. Culp (NCT-A) Gas Com Wells No. 11 (Unit C), No. 9 (Unit J), and No. 10 (Unit A), all in said Section 19.

(3) For allowable purposes the 477.14-acre B.V. Culp (NCT-A) Gas Com gas proration unit shall be assigned an acreage factor of 2.26 in the Eumont Gas Pool.

(4) 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.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY,  
Director

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