

CASE NO. 11479
Order No. R-10579
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(7) According to applicant's evidence and testimony, it proposes to add additional perforations in the Blinebry formation within the N.M. "S" State Well Nos. 27 and 28. As a result of these recompletions, the wells should become gas wells.

(8) In addition, the applicant proposes to re-enter the currently plugged and abandoned N.M. "S" State Well No. 7, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 2, and complete this well as a Blinebry gas well.

(9) The proposed well recompletions necessitate re-orienting the oil and gas proration units within Section 2 as follows:

<u>CURRENT PRORATION UNIT</u>	<u>ACREAGE & OIL OR GAS UNIT</u>	<u>WELLS DEDICATED TO THIS PRORATION UNIT</u>
NW/4 NW/4	40 Acres/Oil	N.M. "S" State No. 39
Lots 2, 3, S/2 NW/4	160 Acres/Gas	N.M. "S" State No 14
		N.M. "S" State No. 28
		N.M. "S" State No. 38
SW/4	160 Acres/Gas	N.M. "S" State No. 21
		N.M. "S" State No. 22
		N.M. "S" State No. 27
		N.M. "S" State No. 7

(10) Applicant testified that it has formed a 160-acre gas spacing and proration unit comprising the SW/4 of Section 2, and that an application to simultaneously dedicate this acreage to the above-described N.M. "S" State Well Nos. 21, 22, 27 and 7 is currently pending before the Division.

(11) The evidence and testimony presented by the applicant indicates that the proposed recompletions and resultant re-orientation of oil and gas proration units within Section 2 should result in the recovery of additional gas reserves from the Blinebry Oil and Gas Pool which may otherwise not be recovered, thereby preventing waste.

(12) The N.M. "S" State Well Nos. 14, 28 and 38 should efficiently drain and develop the proposed non-standard gas proration unit.

(13) The unorthodox locations for the N.M. "S" State Well Nos. 28 and 38 are necessitated by the re-orientation of the spacing unit(s).