

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

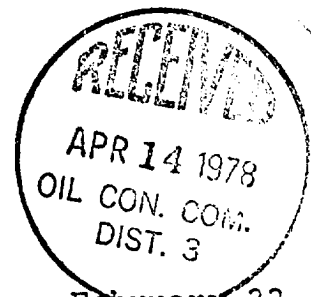
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 6144
Order No. R-5676

APPLICATION OF SOUTHLAND ROYALTY COMPANY
FOR TWO NON-STANDARD PRORATION UNITS AND
TWO UNORTHODOX LOCATIONS, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:



This cause came on for hearing at 9 a.m. on February 22, 1978, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 11th day of April, 1978, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Southland Royalty Company, seeks approval for two 120-acre non-standard gas proration units comprising the S/2 SE/4 of Section 10 and the SW/4 SW/4 of Section 11, and comprising the SE/4 SW/4 and the S/2 SE/4 of Section 11, all in Township 28 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, San Juan County, New Mexico, said units to be dedicated to applicant's Browning Stewart Wells Nos. 5 and 4, Unit P. respectively, at unorthodox locations thereon.

(3) That the entire non-standard proration units may reasonably be presumed productive of gas from the Fulcher Kutz-Pictured Cliffs Pool and that the entire non-standard gas proration units can be efficiently and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Fulcher Kutz-Pictured Cliffs 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:

(1) That two 120-acre non-standard gas proration units, the first comprising the S/2 SE/4 of Section 10 and the SW/4 SW/4 of Section 11, and the second comprising the SE/4 SW/4 and the S/2 SE/4 of Section 11, all in Township 28 North, Range 11 West, Fulcher Kutz-Pictured Cliffs Pool, San Juan County, New Mexico, are hereby established and dedicated, respectively, to the Southland Royalty Company Browning Stewart Well No. 5 located 1180 feet from the South line and 1030 feet from the East line of said Section 10, and Browning Stewart Well No. 4 located 1077 feet from the North line and 2436 feet from the East line of said Section 11, which unorthodox locations are hereby approved.

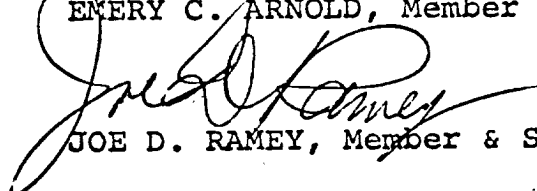
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L