

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8032  
Order No. R-7418

APPLICATION OF ENERGY RESERVES  
GROUP FOR AN UNORTHODOX LOCATION,  
SAN JUAN COUNTY, NEW MEXICO

*NSC's, Unit*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 15, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of December, 1983, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Energy Reserves Group, seeks approval of an unorthodox gas well location for its Gallegos Canyon Unit Well No. 331 to be located 1875 feet from the North line and 640 feet from the West line of Section 29, Township 29 North, Range 12 West, NMPM, to test the West Kutz-Pictured Cliffs Pool, San Juan County, New Mexico.

(3) That the NW/4 of said Section 29 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected 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:

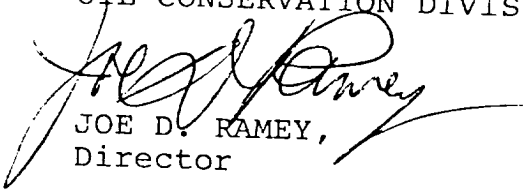
(1) That the application of Energy Reserves Group for an unorthodox gas well location for the West Kutz-Pictured Cliffs Pool is hereby approved for the Gallegos Canyon Unit Well No. 331 to be located at a point 1875 feet from the North line and 640 feet from the West line of Section 29, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico.

(2) That the NW/4 of said Section 29 shall be dedicated to the above-described well.

(3) That 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

  
JOE D. RAMEY,  
Director

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OIL CON. DIV.  
DIST. 3

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