

Case Number

5894

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
April 6, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Consolidated Oil & Gas, ) CASE  
Inc., for an unorthodox gas well ) 5894  
location, Rio Arriba County, New Mexico.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil                      Lynn Teschendorf, Esq.  
Conservation Commission:              Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant:                      W. Thomas Kellahin, Esq.  
KELLAHIN & FOX  
Attorneys at Law  
500 Don Gaspar  
Santa Fe, New Mexico

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General Court Reporting Service  
825 Calle Mijia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

I N D E XPageSAM BUTLER

Direct Examination by Mr. Kellahin

3

Cross Examination by Mr. Nutter

7

EXHIBIT INDEXOfferedAdmitted

Applicant's Exhibit One, Map

4

7

Applicant's Exhibit Two, Well Histories

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1 MR. NUTTER: We will call Case Number 5894.

2 MS. TESCHENDORF: Case 5894, application of

3 Consolidated Oil & Gas, Inc., for an unorthodox gas well

4 location, Rio Arriba County, New Mexico.

5 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox

6 appearing on behalf of the applicant and we have one witness

7 to be sworn.

8 (THEREUPON, the witness was duly sworn.)

9

10 SAM BUTLER

11 called as a witness, having been first duly sworn, was examined

12 and testified as follows:

13

14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name, by whom you are

17 employed and in what capacity?

18 A My name is Sam Butler. I'm employed by Consolidated

19 Oil & Gas, Inc. in Denver as a Petroleum Reservoir Engineer.

20 Q Mr. Butler, have you previously testified before this

21 Commission?

22 A No, I have not.

23 Q Would you give the Examiner a brief background of

24 your work experience and what education you have had? What

25 degrees do you hold?

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1 A I graduated from the Colorado School of Mines in  
2 1968 with a professional degree in Petroleum Engineering.

3 Q Since your graduation where have you been employed?

4 A For three years I worked as a gas reservoir engineer  
5 for Panhandle Eastern Pipeline Company in Liberal, Kansas and  
6 in 1971 was employed by Midwest Oil Corporation in Denver as  
7 a reservoir engineer and since 1974 I have been with Consolidated  
8 Oil & Gas in the same capacity.

9 Q Have you made a study of and are you familiar with  
10 the facts surrounding this particular application?

11 A Yes, I am.

12 MR. KELLAHIN: If the Examiner please, are the  
13 witness' qualifications acceptable?

14 MR. NUTTER: Yes, they are.

15 Q (Mr. Kellahin continuing.) Mr. Butler, would you  
16 please refer to what has been marked as Exhibit Number One,  
17 identify it and explain to us what you are seeking to  
18 accomplish?

19 A Exhibit Number One shows Consolidated's lease owner-  
20 ship in the stippled gray area, as well as an iso-cumulative  
21 production map contoured from gas production from the Mesaverde  
22 formation in the area that we seek this approval.

23 The contour interval is two hundred million cubic  
24 feet per line. The three hundred and twenty acre unit that  
25 we are proposing to dedicate to the well as shown, is outlined

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1 with a dashed dark line.

2 Q Who owns the offsetting acreage in Section 35 to the  
3 east?

4 A I don't know.

5 Q How about the offset acreage in Section 3 to the  
6 south?

7 A Petro-Lewis owns two wells that produce from the  
8 Pictured Cliffs.

9 One thing I would like to point out is that the wells  
10 shown on this map are only the Mesaverde completions in the  
11 area and not other zones.

12 Q Who operates the west half of Section 34?

13 A Northwest Production operates the well in the south-  
14 west quarter.

15 Q And the production in the south half of Section 27 to  
16 the north?

17 A That would be Dugan Exploration or Dugan Production.

18 Q Your proposed location is an unorthodox location for  
19 the Mesaverde formation?

20 A Yes, it is.

21 Q How do you intend to complete this well?

22 A We intend to dually complete this well in the  
23 Tapacito-Pictured Cliffs Pool and the Blanco-Mesaverde Pool.

24 Q Is it a standard location for the Pictured Cliffs?

25 A Yes, it is.

1 Q What would be the allowable location for the Mesa-  
2 verde?

3 A Up in the northeast quarter of Section 34 would be the  
4 allowable location.

5 Q Okay. Would you please refer to what has been marked  
6 as Exhibit Number Two and identify it?

7 A Exhibit Number Two is a compilation of the well  
8 histories surrounding the area that we are proposing to  
9 drill, giving the location of the wells, the completion dates,  
10 the type of completion and the cumulative productions to the  
11 first of 1977 and the average gas rate for 1976, MCF a day.

12 Q Your application only calls for an unorthodox gas  
13 well location at this time. If you intend to complete this as  
14 a dual completion you will come back to the Commission again  
15 and seek that approval once the well is completed?

16 A Yes, sir.

17 Q Have you received any objection to your application  
18 from any offset operators?

19 A We have not received any objection.

20 Q In your opinion, Mr. Butler, will the granting of  
21 this application be in the best interests of conservation,  
22 the prevention of waste and the protection of correlative  
23 rights?

24 A Yes.

25 Q Were Exhibits One and Two prepared by you or under

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1 your direction and supervision?

2 A. Yes, they were.

3 MR. KELLAHIN: We move the introduction of Exhibits  
4 One and Two.

5 MR. NUTTER: Applicant's Exhibits One and Two will  
6 be admitted.

7 (THEREUPON, Applicant's Exhibits One and  
8 Two were admitted into evidence.)

9 MR. KELLAHIN: That concludes our direct examination.

10

11

CROSS EXAMINATION

12 BY MR. NUTTER:

13 Q Mr. Butler, a standard location for the well would  
14 be in the northeast quarter of the section, is that correct?

15 A. That is correct, yes.

16 Q So it is obvious from your iso-cumulative production  
17 map here that you are seeking to get into a better area of  
18 the proration unit by the nonstandard location here?

19 A. Yes, sir, it is.

20 Q On this Exhibit Number Two you show that some of  
21 these wells or maybe all of them are dual completions and you  
22 also show initial potential as cum production, is that from  
23 both of the zones in the wells?

24 A. This is just Mesaverde production, sir.

25 Q Okay, these statistics then are Mesaverde only?

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1 A. Yes, they are.

2 Q And your application for the dual completion would be  
3 handled separately when you drill the well?

4 A. Yes, it would.

5 MR. NUTTER: Are there any further questions of the  
6 witness? He may be excused.

7 (THEREUPON, the witness was excused.)

8 MR. NUTTER: Do you have anything further, Mr.  
9 Kellahin?

10 MR. KELLAHIN: No, sir.

11 MR. NUTTER: Does anyone have anything they wish to  
12 offer in Case Number 5894? We will take the case under  
13 advisement.


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24  
25


REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

  
Sidney F. Morrish, C.S.R.

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General Court Reporting Service  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5894  
heard by me on 4/6, 1977.

  
Examiner  
New Mexico Oil Conservation Commission

Case ~~5894~~  
5894

APR 16 1977

OIL CONSERVATION COMMISSION

BEFORE THE

OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
CONSOLIDATED OIL & GAS, INC., FOR  
APPROVAL OF INFILL DRILLING, DUAL  
COMPLETION AND AN UNORTHODOX WELL  
LOCATION, RIO ARRIBA COUNTY, NEW  
MEXICO

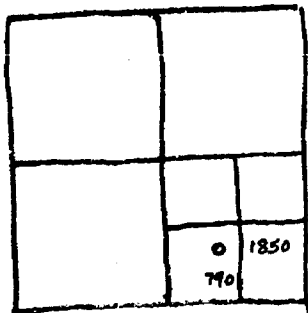
A P P L I C A T I O N

Comes now Consolidated Oil & Gas, Inc., and applies to the Oil Conservation Commission of New Mexico for authority to drill an infill well in the Blanco-Mesaverde gas pool, Rio Arriba County, New Mexico, and to dually complete it with the Tapacito-Pictured Cliffs gas pool, and in support thereof would show the Commission:

Applicant proposes to drill its Jicarilla No. 5-34 well 1850 feet from the East line, and 790 feet from the South line of Section 34, Township 26 North, Range 3 West, as an infill well in the Mesaverde, dedicating thereto the E/2 of the section, and dedicating the SE/4 of Section 34 to production from the Tapacito-Pictured Cliffs Pool.

Approval of this application will result in the production of gas and liquid hydrocarbons that would not otherwise be recovered, is in the interests of conservation, prevention of waste, and the correlative rights of interest owners will be fully protected.

WHEREFORE applicant prays that this application be set



1st well on unit  
off pattern

for hearing before the Commission's duly appointed examiner,  
and that after notice and hearing as required by law, the  
Commission enter its order approving the well location, and  
dual completion as proposed.

Respectfully submitted,  
CONSOLIDATED OIL & GAS, INC.

By Jason Kellahin  
Kellahin & Fox  
P. O. Box 1769  
Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT



# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501



DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO  
April 13, 1977

STATE GEOLOGIST  
EMERY C. ARNOLD

Mr. Tom Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: CASE NO. 5894  
ORDER NO. R-5414

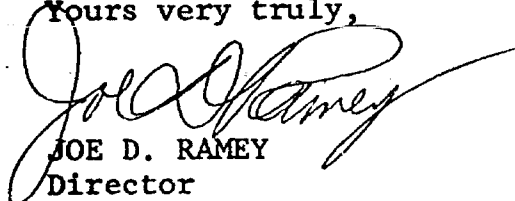
Applicant:

Consolidated Oil & Gas, Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC X  
Artesia OCC X  
Aztec OCC X

Other \_\_\_\_\_  
\_\_\_\_\_

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. 5894  
Order No. R-5414

APPLICATION OF CONSOLIDATED OIL & GAS,  
INC. FOR AN UNORTHODOX GAS WELL  
LOCATION, RIO ARriba COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 6, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of April, 1977, 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, Consolidated Oil & Gas, Inc., seeks  
approval of an unorthodox gas well location for its Jicarilla 34  
Well No. 5 at a point 790 feet from the South line and 1850  
feet from the East line of Section 34, Township 26 North,  
Range 3 West, NMPM, to test the Mesaverde formation, Blanco-  
Mesaverde Pool, Rio Arriba County, New Mexico.
- (3) That the E/2 of said Section 34 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.

-2-

Case No. 5894  
Order No. R-5414

(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 subject 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 an unorthodox gas well location for the Mesaverde formation is hereby approved for the Consolidated Oil & Gas, Inc. Jicarilla 34 Well No. 5 to be located at a point 790 feet from the South line and 1850 feet from the East line of Section 34, Township 26 North, Range 3 West, NMPM, Blanco Mesaverde Pool, Rio Arriba County, New Mexico.

(2) That the E/2 of said Section 34 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 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*  
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

dr/

Dockets Nos. 12-77 and 14-77 are tentatively set for hearing on April 20 and May 11, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 6, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Mutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5884: (Continued & Readvertised)

Application of BCO, Inc., for an unorthodox location and downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Greenhorn, Graneros and Dakota production in the wellbore of its Dunn Well No. 1 at an unorthodox Dakota location in Unit M of Section 10, Township 23 North, Range 7 West, Rio Arriba County, New Mexico.

CASE 5894: Application of Consolidated Oil & Gas, Inc., for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Jicarilla Well No. 5-34, at a point 790 feet from the South line and 1850 feet from the East line of Section 34, Township 26 North, Range 3 West, Blanco Mesaverde Pool, Rio Arriba County, New Mexico, to be dedicated to the E/2 of said Section 34.

CASE 5895: Application of C & K Petroleum, Inc., for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 12, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 840 feet from the South line and 1760 feet from the East line of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5896: Application of Exxon Company, USA, for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of a special gas-oil ratio limit of 6000 cubic feet of gas per barrel of oil for the Wantz-Abo Pool, Lea County, New Mexico.

CASE 5897: Application of Read & Stevens, Inc., for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Rose Well No. 2 to be located 1650 feet from the South line and 990 feet from the West line of Section 18, Township 15 South, Range 28 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.

CASE 5653: (Reopened)

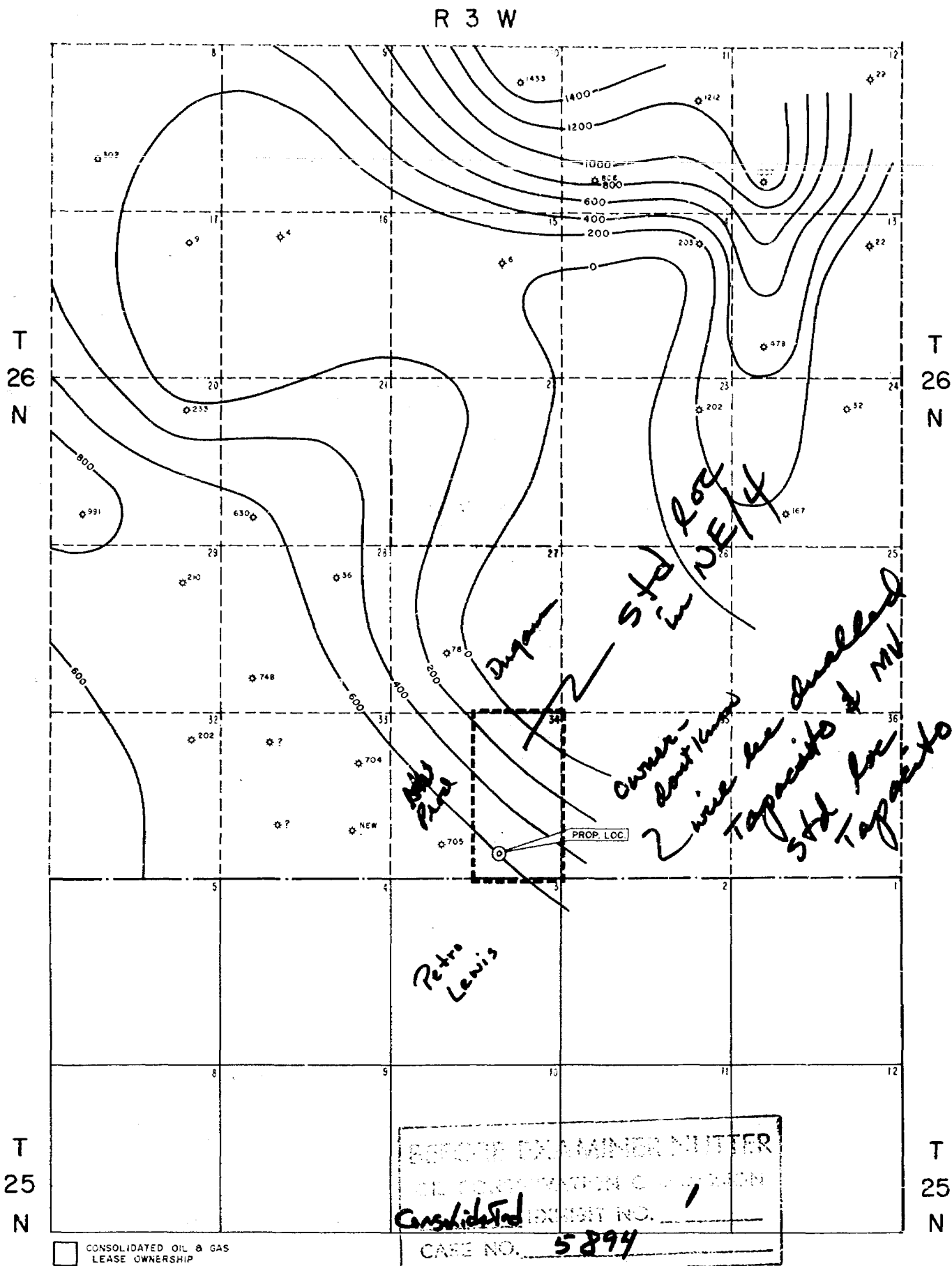
In the matter of Case 5653 being reopened pursuant to the provisions of Order No. R-5191 which order established temporary special pool rules for the Daisey-Wolfcamp Pool, Lea County, New Mexico. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 5898: Application of Chace Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Ballard-Pictured Cliffs and South Lindrith Gallup-Dakota production in the wellbore of its Jicarilla 70 Well No. 3 located in Unit C of Section 33, Township 24 North, Range 4 West, Rio Arriba County, New Mexico. In the alternative, applicant seeks authority to commingle said production at the surface without prior measurement and waiver of the gas-oil ratio test requirement.

CASE 5899: (This case will be continued and will be heard by the Commission at 2 p.m. on April 20, 1977, Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico)

Application of Robert P. Wallach, Ray A. Wallach, and Patricia Louise Wallach House for an exception to Order No. R-3221, Lea County, New Mexico. Applicants, in the above-styled cause, seek, as an exception to the provisions of Commission Order No. R-3221, permission to construct and operate several earthen evaporation pits in the gravel pits in the SW/4 of Section 29, Township 21 South, Range 38 East, Lea County, New Mexico, for the disposal of produced salt water from oil and gas wells in Lea County, New Mexico.





# WELL SYMBOLS

- LOCATION
- ✕ ABANDONED LOCATION
- ✕ DRY & ABANDONED
- ✕ ABANDONED WITH SHOW OF OIL
- ✕ OIL PRODUCER
- ✕ ABANDONED OIL PRODUCER
- ✕ ABANDONED WITH SHOW OF GAS
- ✕ GAS PRODUCER
- ✕ ABANDONED GAS PRODUCER
- ✕ ABANDONED WITH SHOW OF OIL & GAS
- ✕ OIL & GAS PRODUCER
- ✕ ABANDONED OIL & GAS PRODUCER

## Offset Well Completion Summary

Jicarilla Area

Rio Arriba County, New Mexico

Operator Well Name	Location	Well Spot	Comp. Date	Completion	Initial Potential		Cum Prod. @ 1/1/77		Avg. Rate 1976	
					Gas (mcf/d)	Cond. (bbls/d)	Gas (mmcf)	Cond. (bbls)	Gas (mcf/d)	

## Dugan Production

1 Jicarilla E	21-26-3	SW SW M	11/26/58	Dual MV-PC	2,566	----	660	1,659	83
2 Jicarilla E	27-26-3	NE SW K	12/30/58	Dual MV-PC	821	----	80	963	5

## Mobil Oil Corporation

5 Jicarilla B	20-26-3	NE NE A	10/27/57	Dual MV-PC	2,426	----	243	604	28
3 Jicarilla B	20-26-3	SW SW M	9/25/57	Dual MV-PC	2,591	----	1,041	---	138
8 Jicarilla D	23-26-3	NE NE A	10/20/58	Dual MV-PC	1,937	----	207	6,420	16

## Northwest Production

7 Jicarilla 117E	28-26-3	NW NE B	8/9/57	Dual MV-PC	1,975	----	36	33	--
5 Jicarilla 117E	28-26-3	SW SW M	7/10/57	Dual MV-PC	2,777	----	778	2,803	83
2-A Jicarilla 117E	33-26-3	NE SE I	8/26/76	Single MV	54	----	---	---	--
2 Jicarilla 117E	33-26-3	SE SE H	9/26/56	Dual MV-PC	3,314	----	745	1,741	114
3 Jicarilla 117E	34-26-3	SE SW N	4/12/57	Dual MV-PC	513	----	725	2,034	55

*MV only*

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
Consolidated  
CASE NO. 5-894

Exhibit  
Prepared by: JSB 3/29/77

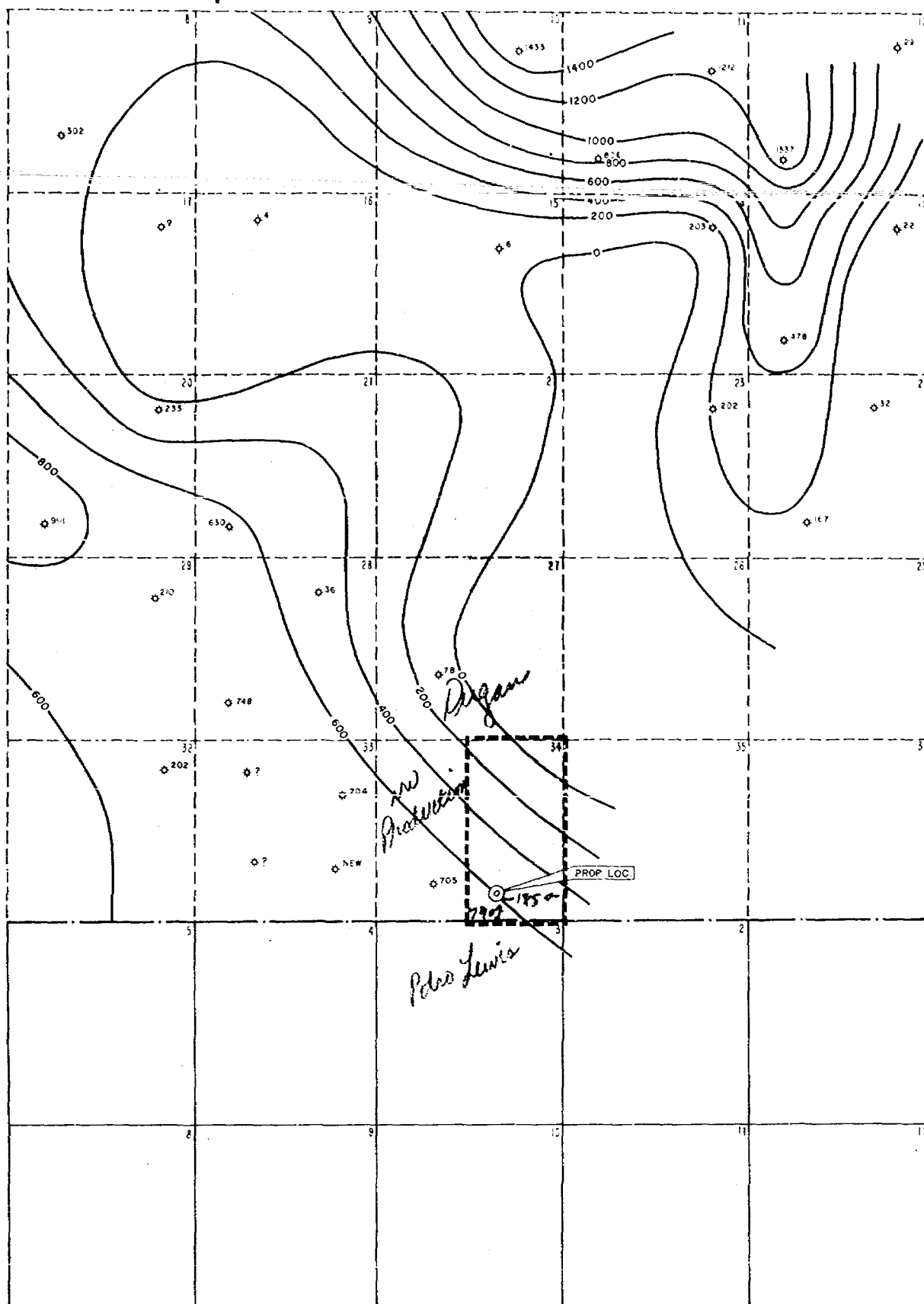
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CONSOLIDATED OIL & GAS  
LEASE OWNERSHIP

#### WELL SYMBOLS

- LOCATION
- ⌵ ABANDONED LOCATION
- ⌵ DRY & ABANDONED
- ⌵ ABANDONED WITH SHOW OF OIL
- ⌵ OIL PRODUCER
- ⌵ ABANDONED OIL PRODUCER
- ⌵ ABANDONED, WITH SHOW OF GAS
- ⌵ GAS PRODUCER
- ⌵ ABANDONED GAS PRODUCER
- ⌵ ABANDONED, WITH SHOW OF OIL & GAS
- ⌵ OIL & GAS PRODUCER
- ⌵ ABANDONED OIL & GAS PRODUCER



*Consolidated  
Oil & Gas, Inc.*

#### LEASE OWNERSHIP AND ISO-CUMULATIVE PRODUCTION MAP

BLANCO MESA-VERDE POOL  
RIO ARRIBA COUNTY, NEW MEXICO

CUMULATIVE PRODUCTION AS OF 1-1-1976  
CONTOUR INTERVAL = 200 MMCF

SCALE: 1"=4000'

EXHIBIT No.  
PREPARED BY J. S. BUTLER 3/29/77

LINCOLN TOWER BUILDING - DENVER, COLORADO 80203  
1860 LINCOLN STREET, SUITE 1300 - (303) 255-1751

Case 5894  
Ex. 1

# Offset Well Completion Summary

Jicarilla Area  
Rio Arriba County, New Mexico

Operator Well Name	Location	Well Spot	Comp. Date	Completion	Initial Potential		Cum Prod. @ 1/1/77		Avg. Rate 1976
					Gas (mcf/d)	Cond. (bbls/d)	Gas (mmcf)	Cond. (bbls)	Gas (mcf/d)
Dugan Production									
1 Jicarilla E	21-26-3	SW SW M	11/26/58	Dual MV-PC	2,566	----	660	1,659	83
2 Jicarilla E	27-26-3	NE SW K	12/30/58	Dual MV-PC	821	----	80	963	5
Mobil Oil Corporation									
5 Jicarilla B	20-26-3	NE NE A	10/27/57	Dual MV-PC	2,426	----	243	604	28
3 Jicarilla B	20-26-3	SW SW M	9/25/57	Dual MV-PC	2,591	----	1,041	---	138
8 Jicarilla D	23-26-3	NE NE A	10/20/58	Dual MV-PC	1,937	----	207	6,420	16
Northwest Production									
7 Jicarilla 117E	28-26-3	NW NE B	8/9/57	Dual MV-PC	1,975	----	36	33	--
5 Jicarilla 117E	28-26-3	SW SW M	7/10/57	Dual MV-PC	2,777	----	778	2,803	83
2-A Jicarilla 117E	33-26-3	NE SE I	8/26/76	Single MV	54	----	---	---	--
2 Jicarilla 117E	33-26-3	SE SE H	9/26/56	Dual MV-PC	3,314	----	745	1,741	114
3 Jicarilla 117E	34-26-3	SE SW N	4/12/57	Dual MV-PC	513	----	725	2,034	55

dr/

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. 5894

Order No. R- 5414

APPLICATION OF CONSOLIDATED OIL & GAS, INC.  
FOR AN UNORTHODOX GAS WELL LOCATION,  
RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 6, 1977,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of April, 1977, 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, Consolidated Oil & Gas, Inc., seeks  
for its Jicarilla Well No. 5 34 at a point  
approval of an unorthodox gas well location/ 790 feet from the South  
line and 1850 feet from the East line of Section 34, Township  
26 North, Range 2 West, NMPM, to test the  
Mesaverde formation, Blanco-Mesaverde Pool,  
Rio Arriba County, New Mexico.

(3) That the E/2 of said Section 34 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 subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk ~~arising~~ 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 an unorthodox gas well location for the Mesaverde formation is hereby approved for ~~applicant's~~ <sup>the Consolidated Oil & Gas, Inc. 34</sup> Jicarilla Well No. 5 ~~12~~ to be located at a point 790 feet from the South line and 1850 feet from the East line of Section 34, Township 26 North, Range 3 West, NMPM, Blanco Mesaverde Pool, Rio Arriba County, New Mexico.

(2) That the E/2 of said Section 34 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 Commission may deem necessary.

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

