Entered July 13, 1965 (C.S.P.

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. 3270 Order No. R-2937 NOMENCLATURE

APPLICATION OF JAKE L. HAMON FOR THE CREATION OF A NEW GAS POOL AND APPROVAL OF AN UNOR-THODOX LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 30, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>13th</u> day of July, 1965, 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, Jake L. Hamon, seeks the creation of a new pool for Morrow gas production in Lea County, New Mexico.

(3) That the applicant's State E-8913 Well No. 1, located 660 feet from the North line and 660 feet from the West line of Section 20, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, has discovered a separate common source of supply which should be designated the North Osudo-Morrow Gas Pool; that the vertical limits of said pool should be the Morrow formation; and that the horizontal limits of said pool should be the S/2 of Section 17, the S/2 of Section 18, the N/2 of Section 19, and the N/2 of Section 20, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico. -2-CASE No. 3270 Order No. R-2937

(4) That the applicant also seeks approval of a non-standard location for the above-described well and proposes to dedicate the N/2 of Section 20, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, to said well.

(5) That the subject well was drilled as an oil well at a standard oil well location but has subsequently been completed as a Morrow gas well.

(6) That the subject well can efficiently and economically drain and develop the N/2 of said Section 20.

(7) That approval of the non-standard location will prevent the drilling of unnecessary wells, will afford the applicant the opportunity to produce his just and equitable share of the gas in the subject pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production, is hereby created and designated the North Osudo-Morrow Gas Pool, with vertical limits comprising the Morrow formation, and horizontal limits comprising the S/2 of Section 17, the S/2 of Section 18, the N/2 of Section 19, and the N/2 of Section 20, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That the unorthodox location of the Jake L. Hamon State E-8913 Well No. 1, located 660 feet from the North line and 660 feet from the West line of Section 20, Township 20 South, Range 36 East, NMPM, North Osudo-Morrow Gas Pool, Lea County, New Mexico, is hereby approved.

(3) That the N/2 of said Section 20 shall be dedicated to the subject well in the North Osudo-Morrow Gas Pool.

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

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

> STATE OF NEW MEXICO QIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

B. Hays Ju 1 lon GUXTON B. HAYS, Member andre

A. L. PORTER, Jr., Member & Secretary

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