

*Entered May 3, 1971
C.L.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. 4518
Order No. R-4130-A

APPLICATION OF AMERICAN QUASAR
PETROLEUM COMPANY OF NEW MEXICO
FOR AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION

This cause came on for hearing at 9 a.m. on March 31, 1971,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of May, 1971, 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, American Quasar Petroleum Company
of New Mexico, is the operator of the Vaca Draw Unit Area, Lea
County, New Mexico, approved by Commission Order No. R-4130,
dated April 6, 1971.

(3) That the applicant seeks authority to drill an explora-
tory gas well at an unorthodox location within said unit area
at an unorthodox location 660 feet from the North line and 760
feet from the East line of Section 28, Township 25 South, Range 33
East, to test the Devonian, Pennsylvanian, and Wolfcamp formations
within one mile of the Red Hills Field with the primary objective
being the Devonian formation.

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(4) That a well drilled at the proposed location should encounter the Devonian formation structurally higher than a well drilled at a standard location.

(5) That the proposed unorthodox gas well location will not crowd acreage belonging to any other operator.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of gas underlying said unit area, 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.

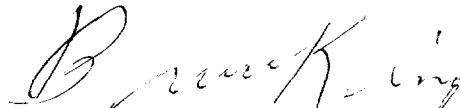
IT IS THEREFORE ORDERED:

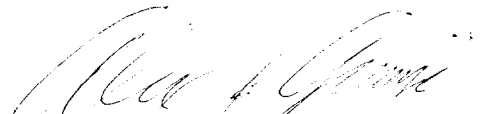
(1) That the applicant, American Quasar Petroleum Company of New Mexico, is hereby authorized to drill an exploratory gas well to the Devonian, Pennsylvanian, and Wolfcamp formations at an unorthodox location 660 feet from the North line and 760 feet from the East line of Section 28, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico.

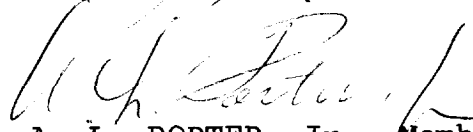
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

S E A L

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