

Entered July 17, 1979  
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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6497 DE NOVO  
Order No. R-5996-A

APPLICATION OF LLANO, INC. FOR  
AN UNORTHODOX GAS WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for Hearing De Novo at 9 a.m. on May 29, 1979, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 17th day of July, 1979, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 in Case No. 6497, Llano, Inc., seeks approval for an unorthodox gas well location for its Llano State "34" Com Well No. 1, located 1650 feet from the South line and 660 feet from the East line of Section 34, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico, said well being projected to the Morrow formation.
- (3) That this cause came on for hearing before Examiner Daniel S. Nutter on March 14, 1979, and the Division entered its Order No. R-5996 on May 2, 1979, approving the above-described unorthodox location for the subject well.
- (4) That when the original application in this case was filed, Llano, Inc., had pending Case No. 6496, its application for the rescission of the 640-acre spacing rules then applicable to the Grama Ridge-Morrow Gas Pool, and proposed that the E/2 of Section 34 be spaced on 320 acres rather than 640 acres and dedicated to the subject well.

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(5) That by its Order No. R-5995, dated May 2, 1979, the Division did rescind the 640-acre spacing rules for the Grama Ridge-Morrow Gas Pool but placed the E/2 of Section 34, among other lands, on temporary 640-acre spacing.

(6) That on May 3, 1979, Getty Oil Company filed an application for creation of a new Morrow gas pool comprising, among other lands, the E/2 of Section 34, and for the promulgation of special rules therefor, including a provision for 640-acre spacing and proration units and well location requirements, and said application was docketed and heard by the Commission as Case No. 6558 on May 29, 1979.

(7) That on May 3, 1979, Getty Oil Company also filed an application for Hearing De Novo of Case No. 6497, whereupon this case was set for Hearing De Novo by the Commission on May 29, 1979.

(8) That the Division, by its Order No. R-6050, denied the application of Getty Oil Company for 640-acre spacing as requested in Case No. 6558 and in effect ordered that the E/2 of Section 34, among other lands, be developed on 320-acre spacing and well location requirements.

(9) That the proposed dedication of the E/2 of Section 34 to the subject well, as proposed by Llano, will constitute the dedication of a standard unit to said well pursuant to the 320-acre provisions of said Order No. R-6050.

(10) That the well location requirements for 320-acre spacing and proration units, as specified by Rule 104 C II of the Division Rules and Regulations, require that a well be located not closer than 660 feet to the nearest side boundary of the tract nor closer than 1980 feet to the nearest end boundary nor closer than 330 feet to any quarter-quarter section or subdivision inner boundary.

(11) That the unorthodox location requested by the applicant in this case is 660 feet from the side boundary of the tract and 1650 feet from the end boundary of the tract and 330 feet from the nearest quarter-quarter section line.

(12) That the requested location is the minimum required distance from the side boundary of the tract and from the nearest quarter-quarter section line, and is unorthodox only in that it is 330 feet too close to the southern end boundary of the tract.

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(13) That the applicant is the owner of the lands offsetting the subject well to the South, and is thus crowding only itself with respect to the unorthodoxy of the proposed location.

(14) That this case was heard De Novo upon the application of Getty Oil Company.

(15) That Getty Oil Company is the owner of the lands offsetting the subject well to the East.

(16) That the location of the subject well, under the provisions of Order No. R-6050 which placed the subject lands on 320-acre spacing and well location requirements, is a standard distance from the offsetting lands to the East, and is thus not crowding Getty Oil Company.

(17) That the unorthodox location will not impair correlative rights nor cause waste.

(18) That the unorthodox location will protect correlative rights, may permit the production of otherwise unrecoverable gas, thereby preventing waste, and should be approved.

IT IS THEREFORE ORDERED:

(1) That the unorthodox location of the Llano, Inc., Llano State "34" Com Well No. 1, 1650 feet from the South line and 660 feet from the East line of Section 34, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico, as previously approved by Division Order No. R-5996, dated May 29, 1979, is hereby affirmed.

(2) That the E/2 of the aforesaid Section 34 shall be dedicated to the well.


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

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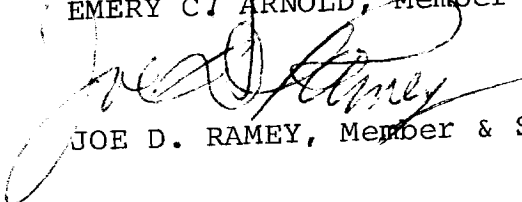
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DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
ALEX J. ARMIJO, Member

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

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