

Entered April 7, 1981
JLR

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. 7191
Order No. R-6190-A

APPLICATION OF SOUTHLAND ROYALTY
COMPANY FOR AN UNORTHODOX WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 11, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 7th day of April, 1981, 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, Southland Royalty Company, seeks approval of an unorthodox gas well location in the Potash-Oil Area of its State "14-A" Com. Well No. 1, 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, NMPM, Turkey Track Field, Eddy County, New Mexico.

(3) That the E/2 of said Section 14 is to be dedicated to the well.

(4) That the proposed unorthodox location was previously approved for the Morrow formation by Division Order No. R-6190 entered November 21, 1980.

(5) That the applicant seeks to expand the authority for said unorthodox location to include the Wolfcamp and Pennsylvanian formations above the Morrow.

-2-

Case No. 7191

Order No. R-6190-A

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

(7) That approval of the subject application by amendment to said Order No. R-6190 will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject field, 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 Order (1) of Division Order No. R-6190 is hereby amended to read in its entirety as follows:

"(1) That an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for a well to be located at a point 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, NMPM, Oil-Potash Area, Eddy County, New Mexico."

(2) 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

S E A L

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