

Entered March 15, 1982

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. 7495
Order No. R-6921

APPLICATION OF GULF OIL CORPORATION
FOR AN UNORTHODOX WELL LOCATION AND
SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 3, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1982, 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, Gulf Oil Corporation, seeks approval of an unorthodox gas well location for its Graham State Well No. 9 located 990 feet from the North line and 1980 feet from the East line of Section 25, Township 19 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.
- (3) That the applicant further seeks to simultaneously dedicate a previously approved 320-acre non-standard proration unit comprising the E/2 of said Section 25 to the above-described well and to its Graham State Well No. 8 located in Unit J of said Section 25.
- (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 and simultaneous dedication.

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(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 the Gulf Oil Corporation Graham State Well No. 9 is hereby approved at an unorthodox location 990 feet from the North line and 1980 feet from the East line of Section 25, Township 19 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(2) That the E/2 of said Section 25 shall be simultaneously dedicated to the above-described well and to applicant's Graham State Well No. 8 located in Unit J of said Section 25, and the allowable assigned to said proration unit may be produced from either well on the unit in any proportion.

(3) 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

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