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. 6448 Order No. R-5521-A

APPLICATION OF SAM H. SNODDY FOR AMENDMENT OF ORDER NO. R-5521, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>28th</u> day of February, 1979, 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, Sam H. Snoddy, seeks the amendment of Order No. R-5521 to change the 160-acre non-standard proration unit to a 320-acre non-standard proration unit comprising the SW/4 of Section 25 and the NW/4 of Section 36, both in Township 20 South, Range 32 East, NMPM, South Salt Lake Field, Lea County, New Mexico.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the South Salt Lake-Morrow Gas Pool.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the South Salt Lake-Morrow Gas 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. -2-Case No. 6448 Order No. R-5521-A

IT IS THEREFORE ORDERED:

(1) That the third paragraph of Order No. 1 of Division Order No. R-5521 is hereby amended to read in its entirety as follows:

> "Federal Well No. 2, from a surface location 660 feet from the South line and 760 feet from the East line of said Section 25 to a bottom hole location within 200 feet of a point 1320 feet from the South and West lines with the SW/4 of said Section 25 and the NW/4 of Section 36, Township 20 South, Range 32 East, a 320-acre non-standard gas proration unit hereby approved, being dedicated thereto."

(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

SEAL

fd/