

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

APPLICATION OF AMERICAN QUASAR
PETROLEUM COMPANY OF NEW MEXICO
FOR APPROVAL OF THE VACA DRAW UNIT
AGREEMENT, 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 6th day of April, 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, seeks approval of the Vaca Draw Unit Agreement covering 7,680 acres, more or less, of State, Federal and Fee lands described as follows:

LEA COUNTY, NEW MEXICO
TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Sections 8, 9, and 10: All
Sections 15, 16, and 17: All
Sections 20, 21, and 22: All
Sections 27, 28, and 29: All

(3) That approval of the proposed unit agreement should

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promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

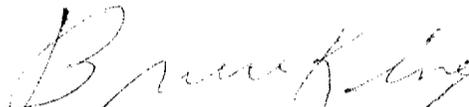
- (1) That the Vaca Draw Unit Agreement is hereby approved.
- (2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure, provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.
- (3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.
- (4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.
- (5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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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


BRUCE KING, Chairman


ALEX J. ARMILJO, Member


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



dr/

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 exploratory 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.

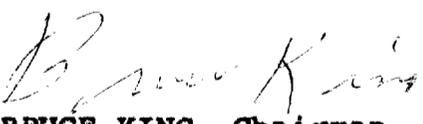
IT IS THEREFORE ORDERED:

(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.

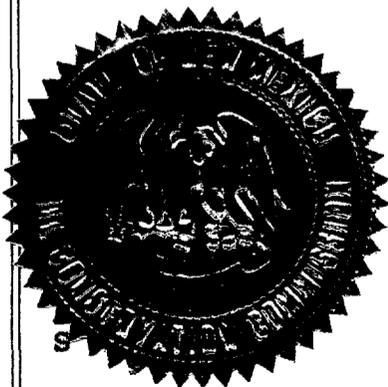
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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



dr/