

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. 8913
Order No. R-8241

APPLICATION OF EXXON CORPORATION FOR
AN UNORTHODOX GAS WELL LOCATION AND A
NON-STANDARD GAS PRORATION UNIT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 12, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 20th day of June, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Exxon Corporation, seeks approval of an unorthodox gas well location 1980 feet from the North line and 525 feet from the West line of Section 7, Township 17 South, Range 29 East, NMPM, to test the Morrow formation, Undesignated South Empire-Morrow Gas Pool, Eddy County, New Mexico.

(3) The applicant further seeks approval of a non-standard gas proration unit comprising the NE/4, E/2 NW/4, and Lots 1 and 2 of said Section 7, consisting of 292.32 acres to be dedicated to the above described well.

(4) The non-standard proration unit is necessitated by a variation in the legal subdivision of the U.S. Public Lands Survey.

(5) Geologic evidence presented by the applicant at the hearing indicated that a well at said unorthodox location will better enable the applicant to produce the gas underlying the proration unit.

(6) No offset operator objected to the proposed unorthodox location or non-standard proration unit.

(7) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected 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 THAT:


(1) The application of Exxon Corporation for an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 1980 feet from the North line and 525 feet from the West line of Section 7, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

(2) A non-standard proration unit comprising the NE/4, E/2 NW/4, and Lots 1 and 2 of said Section 7, consisting of 292.32 acres is hereby approved to be dedicated to the above described well.

(3) 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


R. L. STAMETS,
Director

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