CASE 5827: ATLANTIC RICHFIELD CO. Pary FOR UNORTHODOX LOCATIONS & SIMUL-TANEOUS DEDICATION, LEA COUNTY

# CASE NO.

5827

APPlication, Transcripts, Small Exhibits,

ETC.



DIRECTOR

JOE D. RAMEY

Other

#### **OIL CONSERVATION COMMISSION**

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

LAND COMMISSIONER
PHIL R. LUCERO

January 26, 1977



STATE GEOLOGIST EMERY C. ARNOLD

5827 CASE NO. Re: Mr. Clarence Hinkle R-5323-A ORDER NO. Hinkle, Bondurant, Cox & Eaton Attorneys at Law Post Office Box 10 Applicant: Roswell, New Mexico 88201 Atlantic Richfield Company Dear Sir: Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case. Yours very truly, JOE D. RAMEY Director JDR/fd Copy of order also sent to: Hobbs OCC\_ Artesia OCC\_ Aztec OCC

# 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. 5827 Order No. R-5323-A

APPLICATION OF ATLANTIC RICHFIELD COMPANY FOR AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 5, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of January, 1977, 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, Atlantic Richfield Company, is the operator of a previously established 275-acre Eumont gas proration unit comprising the W/2 E/2, N/2 NW/4, and SE/4 NW/4 of Section 19, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.
- (3) That the applicant seeks to simultaneously dedicate to said non-standard unit its State 176 Wells Nos. 2, 3, 4, and 6, located at unorthodox locations in Units O, J, G, and C, respectively, of said Section 19.
- (4) That the above-described wells at said unorthodox locations will better enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox locations.

-2-Case No. 5827 Order No. R-5323-A

- (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.
- (7) That Commission Order No. R-5323 dated November 30, 1976, which approved the aforesaid non-standard proration unit dedicated to the State 176 Wells Nos. 3 and 6 only, should be superseded.

#### IT IS THEREFORE ORDERED:

- (1) That the applicant, Atlantic Richfield Company, is hereby authorized to simultaneously dedicate to a previously approved 275-acre Eumont gas proration unit comprising the W/2 E/2, N/2 NW/4, and SE/4 NW/4 of Section 19, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, its State 176 Wells Nos. 2, 3, 4, and 6, located at unorthodox locations in Units O, J, G, and C, respectively, of said Section 19.
- (2) That the allowable assigned to the above-described gas proration unit shall be based upon the unit size of 275 acres, and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.
  - (3) That Commission Order No. R-5323 is hereby superseded.
- (4) 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 hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Mamber & Secretary

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
January 5, 1977

#### EXAMINER HEARING

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IN THE MATTER OF:

Application of Atlantic Richfield )
Company for four unorthodox locations )
and simultaneous dedication, Lea County,)
New Mexico. )

CASE 5827

BEFORE: Daniel S. Nutter, Examiner

#### TRANSCRIPT OF HEARING

#### APPEARANCES

For the New Mexico Oil Conservation Commission:

Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building

Santa Fe, New Mexico

For the Applicant:

Clarence E. Hinkle, Esq.
HINKLE, COX, EATON, COFFIELD
AND HENSLEY
Attorneys at Law

Hinkle Building Roswell, New Mexico

sid morrish reporting service

General Court Reporting Service
25 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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#### INDEX

RICHARD S. PRENTICE

Direct Examination by Mr. Hinkle

Cross Examination by Mr. Nutter

6/

Page

EXHIBIT INDEX

	Offered	Admitted
Applicant's Exhibit One, Form C-102	4	6
Applicant's Exhibit Two, Plat	5 /	6

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Phone (505) 982-9212

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MR. NUTTER: We will call Case Number 5827.

MS. TESCHENDORF: Case 5827, application of Atlantic Richfield Company for four unorthodox locations and simultaneous dedication, Lea County, New Mexico.

MR. HINKLE: Let the record show the same appearance in this case as in the previous case.

MR. NUTTER: The record will so show.

MR. HINKLE: And the witness previously sworn will be sworn in this case.

MR. NUTTER: Mr. Prentice is still under oath.

MR. HINKLE: And do you want me to repeat the qualifications?

MR. NUTTER: No, that's not necessary.

MR. HINKLE: Let the record show that his qualifictions are as previously shown in the previous case.

#### RICHARD S. PRENTICE

called as a witness, having been previously sworn, was examined and testified as follows:

#### DIRECT EXAMINATION

BY MR. HINKLE:

Q Are you familiar with the application of Atlantic Richfield in this case?

A. Yes, I am.

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#### Q. What is Atlantic Richfield seeking to accomplish?

Atlantic Richfield seeks authority to simultaneously dedicate a previously approved two hundred and seventy-five acre Eumont gas proration unit comprising the west half of the east half, the north half of the northwest quarter and the southeast quarter of the northwest quarter of Section 19, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico to its State 176 Wells Nos. 2, 3, 4 and 6 located at unorthodox locations in Units O, J, G and C, respectively, of Section 19.

O. Have you prepared or has there been prepared under your direction exhibits for introduction in this case?

- A. Yes.
- Q Are they the ones marked Exhibits One and Two?
- A. Yes, they are.
- Q Refer to Exhibit One and explain this?
- A. Exhibit One is a Form C-102, a Well Location and Acreage Dedication Plat, showing the exact locations of all four wells and the size of the unit.
- Q. What is the present status of these wells shown on Exhibit One?
- A. Well No. 3 is the only active Eumont gas producer in the unit. Wells 2, 4 and 6 are shut in Eumont oil wells.
  - Q Do you intend to rework these wells?
  - A. Yes, we do.
    - Q. In what way?

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- Q. Do you anticipate that they can be completed as gas wells?
  - A. Yes, we do.
- Q And if they are completed do you anticipate that they will make the allowable?
  - A. Yes.
  - Q Assigned to the unit?
  - A. Yes.
  - Q. Refer to Exhibit Two and explain this?
- A. Exhibit Two is a plat showing production on the unit and production of offset wells around the unit, Eumont gas production.
- Q Did you furnish all of the offset owners with copies of the application.
  - A. Yes, we did.
  - 0. Have you had any protests?
  - A. No, sir.
- Q. In your opinion if this application is approved will it be in the interest of conservation, prevention of waste and protect correlative rights?
  - A. Yes, it will.
- MR. HINKLE: We would like to offer Exhibits One and Two.

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MR. NUTTER: Applicant's Exhibits One and Two will be admitted in Case 5827.

(THEREUPON, Applicant's Exhibits One and Two were admitted into evidence.)
MR. HINKLE: That's all we have.

#### CROSS EXAMINATION

BY MR. NUTTER:

- 0. Mr. Prentice, you stated that the only active Eumont gas well on the unit is the No.3, is that correct?
  - A. Yes, sir.
- Q But the No. 6 has also been authorized as a unit well for this unit?
  - A. Yes, sir, it has.
- Q So in effect what you are adding today would be the Nos. 2 and 4?
  - A. Yes, sir.
- Q And is the No. 3 well incapable of making the Eumont Gas Unit's allowable?
  - A. That's correct, it's a marginal unit.

MR. NUTTER: Are there any further questions of the witness? He may be excused.

(THEREUPON, the witness was excused.)

MR. NUTTER: Do you have anything further in this case, Mr. Hinkle?

1.

That's all. MR. HINKLE:

MR. NUTTER: Does anyone have anything to offer in

case 5827? We will take the case under advisement.

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#### REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Sidney F. Morrish, C.S.R.

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do hereby certify that the foregoing is a complete record of the proceedings in hearing of Case No. 5827

New Mexico Oil Conservation Commission

Dockets Nos. 3-77 and 5-77 are tentatively set for hearing on January 19 and February 2, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

#### DOCKET: COMMISSION HEARING - TUESDAY - JANUARY 4, 1977

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

Application of Raymond Eaves for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to construct and operate an earthen evaporation pit in the NE/4 SW/4 of Section 2, Township 20 South, Range 30 East, Eddy County, New Mexico, for the disposal of produced water from oil and gas wells in Eddy and Lea Counties, New Mexico.

Docket No. 2-77

#### DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 5, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROCM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

#### CASE 5820: (Continued & Readvertised)

Application of Texas Oil & Gas Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the W/2 of Section 4, Township 22 South, Range 26 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5825: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp and Pennsylvanian formations underlying the S/2 of Section 36, Township 17 South, Range 26 East, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Application of Atlantic Richfield Company for three unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 185-acre Eumont gas proration unit comprising the SW/4 and SW/4 NW/4 of Section 19, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its State "F" DE Wells Nos. 1, 3, and 4 located at unorthodox locations in Units E, K, and M, respectively, of said Section 19.

Application of Atlantic Richfield Company for four unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to simultaneously dedicate a previously approved 275-acre Eumont gas proration unit comprising the W/2 E/2, N/2 NW/4, and SF/A NW/4 of Section 19, Township 21 South, Range 36 East, Eumont Cas Pool, Lea County, New Mexico, to its State 176 Wells Nos. 2, 3, 4, and 6 located at unorthodox locations in Units O, J, G, and C, respectively, of said Section 19.

CASE 5828: Application of Atlantic Richfield Company for an unorthodox gas well location, Eddy County, New Mexico.

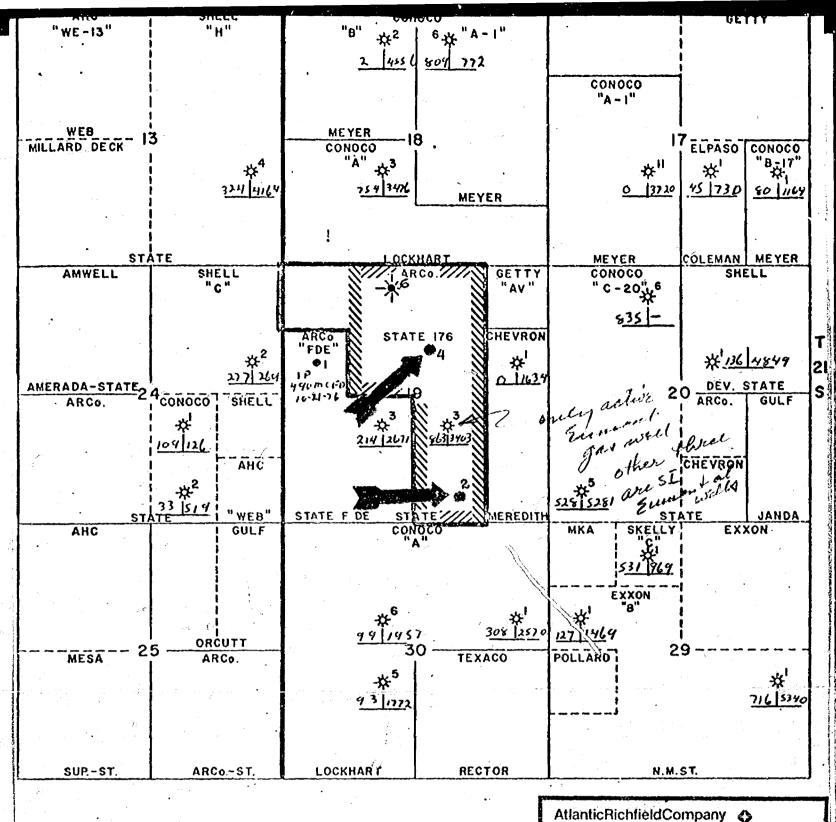
Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its
Robinson Gas Com Well No. 1 to be drilled 1850 feet from the North line and 660 feet from the West
line of Section 27, Township 17 South, Range 29 East, Grayburg-Morrow Gas Pool, Eddy County, New Mexico,
the N/2 of said Section 27 to be dedicated to the well.

# OIL CONSERVATION COMMISSION Hobbs DISTRICT

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BEFORE EXAMINER NUTTER
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North American Producing Division Permian District Midfand, Texas

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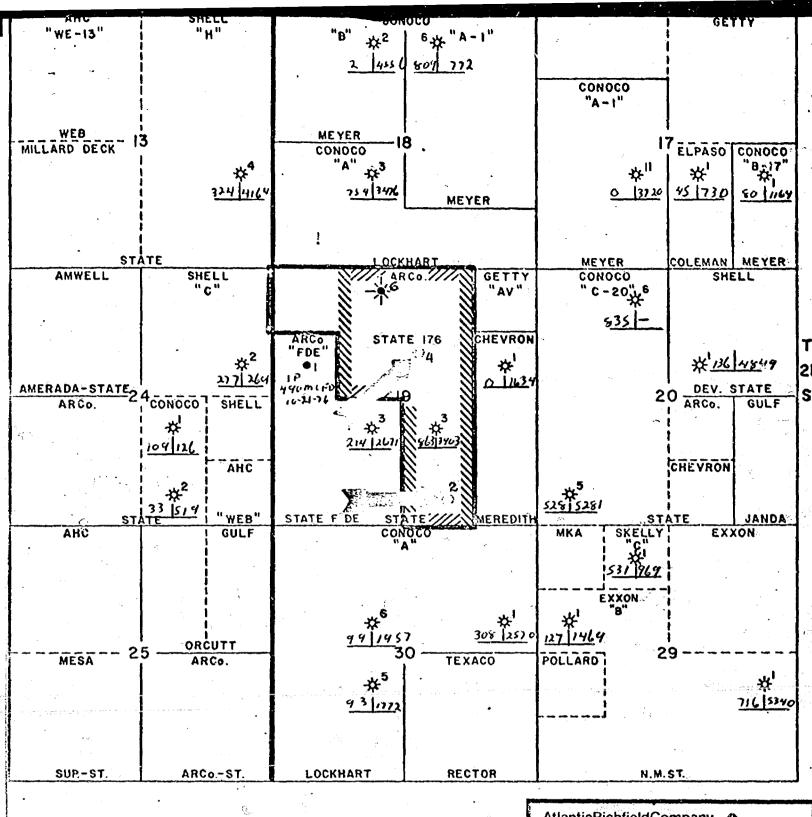
LEA COUNTY, NEW MEXICO

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BEFORE EXAMINER NUTTER OIL CONSERVATION EXHIBIT NO. 2CASE NO.

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Case 5817 Exhibit 1



LEGEND

EXISTING UNIT

AtlanticRichfieldCompany
North American Producing Division
Permian District Midland, Tossa

STATE 176

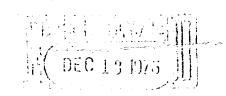
EUMONT GAS PRODUCTION

LEA COUNTY, NEW MEXICO

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(ase 582) Exhibit 2 **AtlanticRichfieldCompany** 

North American Producing Division **Permian District** Post Office Box 1610 Midland, Texas 79701 Telephone 915 682 8631





December 10, 1976

Mr. Joe Ramey New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Re: Non-Standard Eumont Gas Unit State 176 No. 4 and No. 2 Section 19, T-21S, R-36E Lea County, New Mexico

Case 5827

Dear Mr. Ramey:

Atlantic Richfield Company requests administrative approval to simultaneously dedicate a previously established nonstandard 275-acre Eumont gas proration unit to four wells, the State 176 No. 2, No. 3, No. 4, and No. 6. Currently, the unit, W/2 E/2, N/2 NW/4, and SE/4 NW/4 of Section 19, T-21S, R-36E, Lea County, New Mexico is classified as marginal with all acreage dedicated to the State 176 No. 3 and No. 6.

The non-standard 275-acre unit was approved by the New Mexico Oil Conservation Commission Order No. R-5323, Case Number 5801 on the 30th of November, 1976. The State 176 Nos. 2 and 4 are completed in the Eumont oil, which Atlantic Richfield plans to abandon and recomplete in the Eumont gas.

Atlantic Richfield Company believes approval of this request will protect correlative rights, promote conservation, and encourage the efficient recovery of gas reserves. Attached are an acreage dedication plat, a map of the area, and a list of offset operators who are being notified by a copy of this application.

Very truly yours,

J. L. Tweed W. J. Borter

HQP/agp

New Mexico Oil Conservation Commission Hobbs Area Supervisor P. O. Box 1980 Hobbs, New Mexico

#### OFFSET OPERATORS

#### State 176 Lease

- 1) Chevron P. O. Box 1660 Midland, Texas 79701
- 2) Conoco P. O. Box 460 Hobbs, New Mexico
- 3) Getty
  P. O. Box 1231
  Midland, Texas 79701
- 4) Shell P. O. Box 1509 Midland, Texas 79701

# NEW MEXICO OIL CONSERVATION COMMISSION

Form C-102 Supersedes C-128

Registered Professional Engineer

and/or Land Surveyor

Certificate No.

1650

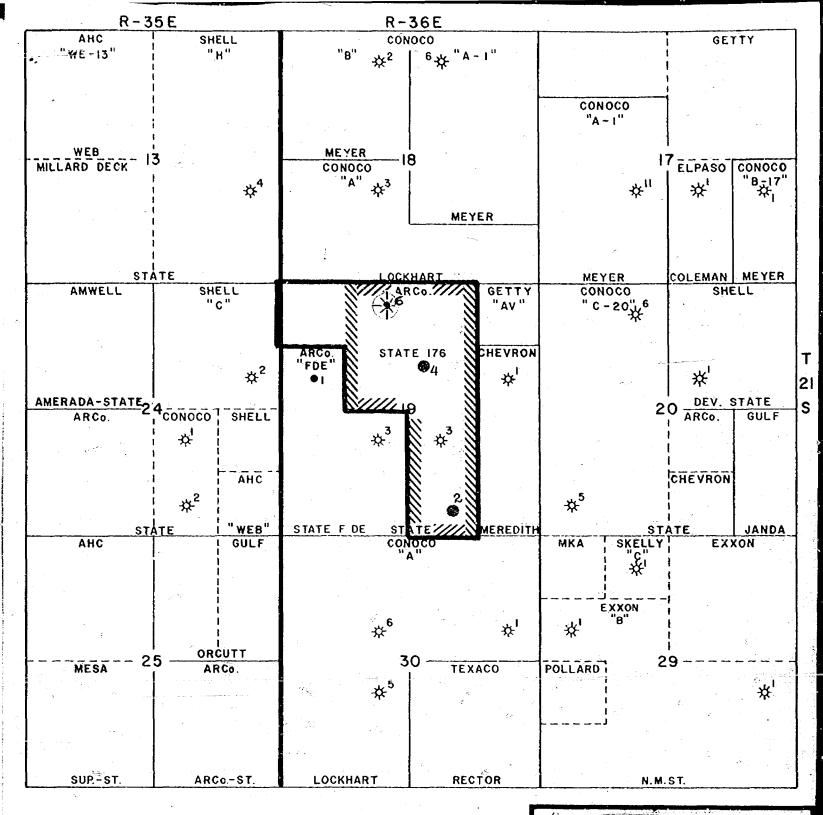
330

660

190

1320 1650

WELL LOCATION AND ACREAGE DEDICATION PLAT Effective 1-1-65 All distances must be from the outer boundaries of the Section Well No. ATLANTIC RICHFIELD COMPANY STATE 176 Unit Letter Range Township 36 East G 21 South 1650 feet from the North East Ground Level Elev: Producing Formation Dedicated Acreage: 3645 Queen Eumont 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc? Yes Yes ☐ No If answer is "yes," type of consolidation If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)\_ No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commis-CERTIFICATION 19 I hereby certify that the information con-1650 tained herein is true and complete to the 2310' best of my knowledge and belief. tuan Quoc Pham Huan Quoc Pham Position Operations Engineer 2310 Atlantic Richfield Co. Date December 9.  $\mathbf{T}$ 21 S I hereby certify that the well location 1650 shown on this plat was glotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Daté Surveyed



LEGEND

EXISTING UNIT

AtlanticRichfieldCompany On North American Producing Division Permian District Midland, Texas

STATE 176

EUMONT GAS PRODUCTION

LEA COUNTY, NEW MEXICO

By HUAN PHAM Drann By M.R. Date 7:7:70
Date Revised By Oste
Copt Ong No

Allar#cRichfieldCompany

North American Producing Division Permian District Post Office Box 1610 Midland, Texas 79701 Telephone 915 682 8631



December 10, 1976

Mr. Joe Ramey
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Non-Standard Eumont Gas Unit State 176 No. 4 and No. 2 Section 19, T-21S, R-36E Lea County, New Mexico

Dear Mr. Ramey:

Atlantic Richfield Company requests administrative approval to simultaneously dedicate a previously established non-standard 275-acre Eumont gas proration unit to four wells, the State 176 No. 2, No. 3, No. 4, and No. 6. Currently, the unit, W/2 E/2, N/2 NW/4, and SE/4 NW/4 of Section 19, T-21S, R-36E, Lea County, New Mexico is classified as marginal with all acreage dedicated to the State 176 No. 3 and No. 6.

The non-standard 275-acre unit was approved by the New Mexico Oil Conservation Commission Order No. R-5323, Case Number 5801 on the 30th of November, 1976. The State 176 Nos. 2 and 4 are completed in the Eumont oil, which Atlantic Richfield plans to abandon and recomplete in the Eumont gas.

Atlantic Richfield Company believes approval of this request will protect correlative rights, promote conservation, and encourage the efficient recovery of gas reserves. Attached are an acreage dedication plat, a map of the area, and a list of offset operators who are being notified by a copy of this application.

Very truly yours,

J. J. Tweed W. J. Borter

HQP/agp

cc: New Mexico Oil Conservation Commission Hobbs Area Supervisor P. O. Box 1980 Hobbs, New Mexico

## OFFSET OPERATORS

#### State 176 Lease

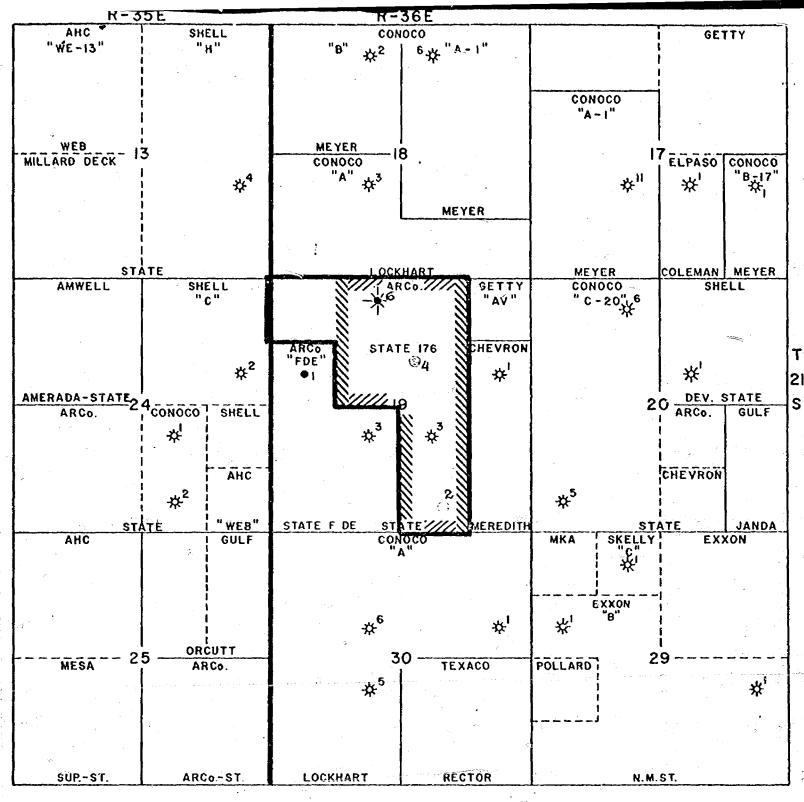
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  Midland, Texas 79701
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  Midland, Texas 79701
- 4) Shell
  P. O. Box 1509
  Midland, Texas 79701

# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Ellective 1-1-65

All distances must be from the outer boundaries of the Section Operator Well No. ATLANTIC RICHFIELD COMPANY **STATE 176** Unit Letter Range 36 East 21 South Lea 1650' North 23101 feet from the East line and feet from the Ground Level Elev: Producing Formation Pool Dedicated Acreage: 3645 Queen Fumont 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc? Yes No If answer is "yes," type of consolidation If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.). No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until-a non-standard unit, eliminating such interests, has been approved by the Commis-CERTIFICATION 19 I hereby certify that the information con-1650 tained herein Is true and complete to the 2310' best of my knowledge and belief. Huan Quoc Pham Operations Engineer 2310 Atlantic Richfield Co. December 21 1650 I hereby certify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under my supervision, and that the same Is true and correct to the best of my knowledge and belief. Date Surveyed Registered Professional Engineer 1650' and/or Land Surveyor Certificate No.

1320 1660



L E G E N D

EXISTING UNIT

AtlanticRichfieldCompany
North American Producing Division
Permian District Midland, Texas

STATE 176

EUMONT GAS PRODUCTION

LEA COUNTY, NEW MEXICO

Drie HUAN PHAM Drann Br. M.R. Date 7.7-76
Date Arrived Br. Date
Capt Done No.

#### **Atlantic**RichlieldCompany

North American Producing Division Permian District Post Office Box 1610 Midland, Texas 79701 Telephone 915 682 8631



December 10, 1976

Mr. Joe Ramey New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

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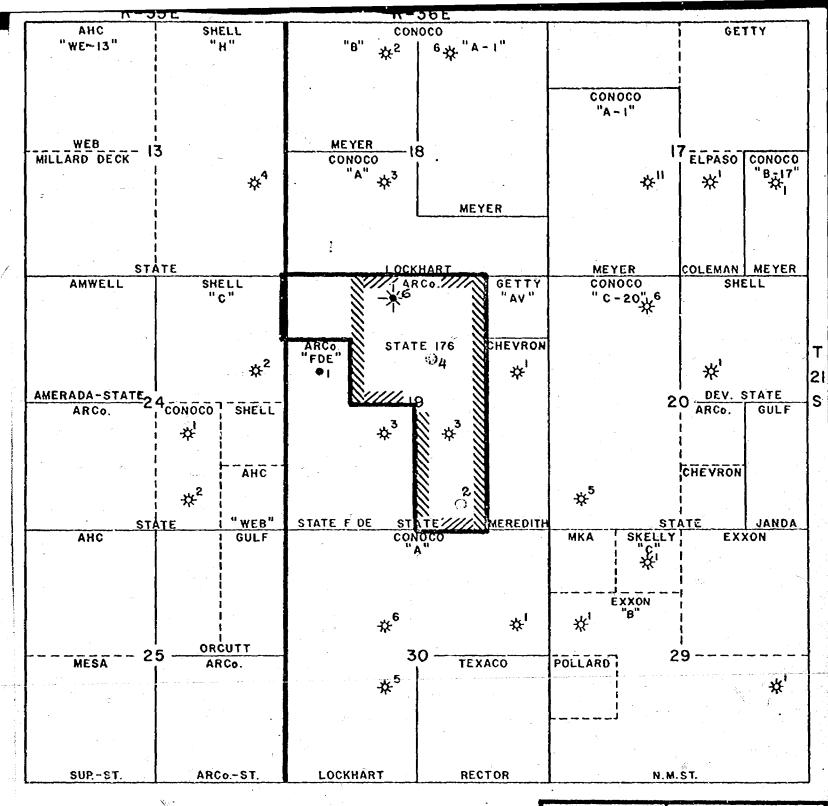
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All distances must be from the outer boundaries of the Section.

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			330'		1650		and/or Lan	d Surveyor	



L E G E N D

EXISTING UNIT

AtlanticRichfieldCompany
North American Producing Division
Permian District Midfand, Texas

STATE 176

EUMONT GAS PRODUCTION

LEA COUNTY, NEW MEXICO

B. HUAN PHAM Drenne M.R. Obto 7-7-76
Date Revised 6: Obto

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. 5827 Order No. R- 532 317 \$

APPLICATION OF ATLANTIC RICHFIELD COMPANY FOR AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.



#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 5, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

day of January, 1977, the Commission, NOW, on this 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, Atlantic Richfield Company, seeks for of a previously established val for four unorthodex locations and simultaneous dedicate

of a 275-acre Eumont gas proration unit comprising the W/2 E/2,

N/2 NW/4, and SE/4 NW/4 of Section 19, Township 21 South, Range 36 NMPM

East, Eumont Gas Pool, Lea County, New Mexico, to its State 176

Wells Nos. 2, 3, 4, and 6 located at unorthodox locations in

Units O, J, G, and C, respectively, of said Section 19

That the W/2 E/2; N/2 NW/4 and SE/4 NW/4

#### is to be dedicated to the wells:

- That the above-described wells at said unorthodox locations will better enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox locations.
- (3) That the applicant seeks to simultaneously dedicate to said mon-standard with its State 176

Case No. 5827 Order No. R-

(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:

hereby authorized to simultaneously dedicate to a previously approved 275-acre Eumont gas proration unit comprising the W/2 E/2, N/2 NW/4, and SE/4 NW/4 of Section 19, Township 21 South, Range 36 East "Eumont Gas Pool, Lea County, New Mexico, 🖦 its State 176 Wells Nos. 2, 3, 4, and 6, located at unorthodox locations in Units O, J, G, and C, respectively, of said Section 19.

(2) That the W/2 E/2, N/2 NN/A, and SE/4 NN/4 of said presention with shall be based upon the with size of Acres, and that the operator man produce the allowable assigned ... 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 hereinabove designated.

1) That Communion Order No. R-5323 dated hovember 30, 1976, which approved The aforesail non-shandard praration which dedicated to the State 176 Wells nos. 3 and 6 only, should be superseded.

ADER - (3) That Commission Order no. R-5323 is hercley superceded.