

Entered March 16, 1961 65
R.P.

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. 2183
Order No. R-1885

APPLICATION OF THE OIL CONSERVATION
COMMISSION ON ITS OWN MOTION, AT THE
REQUEST OF CITIES SERVICE PETROLEUM
COMPANY, TO CONSIDER GRANTING PERMIS-
SION TO DRILL AN EXPLORATORY TEST WELL
IN THE POTASH-OIL AREA, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 15, 1961, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 22nd day of February, 1961, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Cities Service Petroleum Company, seeks permission to drill an exploratory test well 660 feet from the South line and 1980 feet from the East line of Section 18, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, which acreage is included within the potash-oil area as delineated by Commission Order No. R-111-A and subsequent amendments thereto.

(3) That the applicant's proposed casing program is to be in accordance with the requirements of said Order No. R-111-A.

(4) That the Potash Company of America objected to the proposed location, arbitration proved unsuccessful, and, as provided by said Order No. R-111-A, the matter was then heard by the Oil Conservation Commission.

(5) That the proposed oil well location is approximately twelve (12) miles from the nearest active potash operations, and,

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further, it is speculative and conjectural as to when, if ever, the area in which the location is proposed will be mined for potash, and, inasmuch as there are no present plans for such mining, the oil and gas lessee should be allowed to drill the subject well and produce it to depletion, at which time, as reflected by the evidence, said well could be plugged in such a manner as to protect the potash reserves.

(6) That in view of the circumstances set forth in the preceding finding, denial of the right to drill the subject exploratory test well would result in an impairment of the oil and gas lessee's correlative rights, particularly since a number of oil wells have long since been drilled in the general area.

(7) That the applicant should be permitted to drill the subject well.

IT IS THEREFORE ORDERED:

That the applicant, Cities Service Petroleum Company, is hereby permitted to drill an exploratory test well 660 feet from the South line and 1980 feet from the East line of Section 18, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

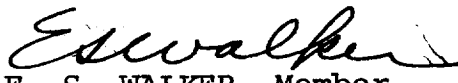
PROVIDED HOWEVER, That the subject well shall be completed and plugged in full compliance with the requirements set forth in Commission Order No. R-111-A.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

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