

Entered February 9, 1970
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. 4304
Order No. R-2403-A

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION AND
AMENDMENT OF ORDER NO. R-2403, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 4, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of February, 1970, 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, Continental Oil Company, as operator of the MCA Unit approved by Commission Order No. R-2403, seeks authority to drill its MCA Unit Well No. 251, a producing oil well, at an unorthodox location 1100 feet from the South line and 2600 feet from the West line of Section 21, Township 17 South, Range 32 East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, as an infill well in said MCA Unit project area.

(3) That the proposed unorthodox location is necessary to provide an efficient oil producing pattern.

(4) That the applicant also seeks the amendment of said Order No. R-2403 to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission

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may authorize additional producing wells and injection wells at unorthodox locations within said MCA Unit Area as may be necessary to complete an efficient production and injection pattern.

(4) That approval of the aforesaid amendment will afford the applicant the opportunity to produce its just and equitable share of the oil in the Maljamar Grayburg-San Andres Pool, and will otherwise prevent waste and protect correlative rights, provided said producing wells and injection wells are drilled no closer than 330 feet to the outer boundary of said MCA Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

IT IS THEREFORE ORDERED:

That the applicant, Continental Oil Company, is hereby authorized to drill its MCA Unit Well No. 251, a producing oil well, at an unorthodox location 1100 feet from the South line and 2600 feet from the West line of Section 21, Township 17 South, Range 32 East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, as an infill well in its MCA Unit Area approved by Commission Order No. R-2403.

IT IS FURTHER ORDERED:

(1) That Order (2) of "IT IS FURTHER ORDERED" of Order No. R-2403, as amended by Order No. R-3375, is hereby further amended by the addition of a second paragraph as follows:

"The Secretary-Director of the Commission is hereby also authorized to approve such additional producing wells and injection wells at unorthodox locations within the boundaries of the Maljamar Cooperative Agreement Unit Area as may be necessary to complete an efficient production and injection pattern; provided said wells are drilled no closer than 330 feet to the outer boundary of said MCA Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided further, that the application therefor has been filed in accordance with Rule 701-B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all operators owning acreage offsetting the quarter-quarter section upon which the well is to be located, if any there be, and no such operator has objected within 20 days. The Secretary-Director may grant immediate approval of the

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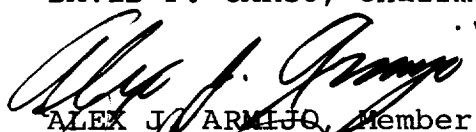
application upon receipt of written waivers of objection from all such offset operators."


(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


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

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