Entered Gume 33, 1966 ELP.

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. 3396 Order No. R-3082

APPLICATION OF TEXACO INC. FOR A NON-STANDARD OIL PRORATION UNIT AND A NON-STANDARD LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 27, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>23rd</u> day of June, 1966, 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, Texaco Inc., seeks authority to drill its State "DA" Well No. 2 at an unorthodox location 1980 feet from the South line and 1980 feet from the West line of Section 14, Township 12 South, Range 34 East, NMPM, Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico.

(3) That the NE/4 SW/4 of said Section 14 can reasonably be presumed to be productive of oil in the subject pool, but the productivity of the NW/4 SW/4 of said Section 14 is doubtful.

(4) That the proposed unorthodox location should be approved in order to afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the Ranger Lake-Pennsylvanian Pool. -2-CASE No. 3396 Order No. R-3082

(5) That the applicant also seeks approval of a 40-acre nonstandard proration unit in the Ranger Lake-Pennsylvanian Pool comprising all of the NE/4 SW/4 of Section 14, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico.

(6) That approval of a 40-acre non-standard proration unit in the Ranger Lake-Pennsylvanian Pool comprising the NE/4 SW/4 of said Section 14 to be dedicated to the applicant's State "DA" Well No. 2 will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas in the pool, provided the State "DA" Well No. 2 does not receive more than one-half of a standard 80-acre allowable in the Ranger Lake-Pennsylvanian Pool.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to drill its State "DA" Well No. 2 at an unorthodox location in the Ranger Lake-Pennsylvanian Pool 1980 feet from the South line and 1980 feet from the West line of Section 14, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) That a 40-acre non-standard proration unit in the Ranger Lake-Pennsylvanian Pool comprising the NE/4 SW/4 of Section 14, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico, is hereby created and dedicated to the Texaco Inc. State "DA" Well No. 2 to be located 1980 feet from the South line and 1980 feet from the West line of said Section 14.

(3) That the above-described non-standard oil proration unit shall receive one-half of a standard 80-acre allowable in the Ranger Lake-Pennsylvanian Pool.

(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 TION COMMISSION CONSER Chairman L. PORTER, Jr., Member & Secretary

SEAL

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