

*Entered September 12, 1966  
C.L.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. 3452  
Order No. R-3114

APPLICATION OF UNION OIL COMPANY  
OF CALIFORNIA FOR AN UNORTHODOX  
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 7, 1966, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of September, 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, Union Oil Company of California, is the operator of the Red Hills Unit Well No. 2 which is presently projected to and drilling to the Wolfcamp formation at an unorthodox location 990 feet from the North line and 1650 feet from the East line of Section 5, Township 26 South, Range 33 East, NMPM, Red Hills-Wolfcamp Gas Pool, Lea County, New Mexico, pursuant to authority of the Commission under Order No. R-3073.

(3) That the applicant now seeks an exception to the well location requirements of Rule 104 C II (a) of the Commission Rules and Regulations to also project said Red Hills Unit Well No. 2 to the Pennsylvanian formation at an unorthodox Pennsylvanian location 990 feet from the North line and 1650 feet from the East line of Section 5, Township 26 South, Range 33 East, NMPM, Red Hills-Pennsylvanian Gas Pool, Lea County, New Mexico.

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(4) That the additional cost of drilling a single completion well to the Pennsylvanian formation at an orthodox location would be excessively burdensome when compared with the additional cost of a dual completion to the Pennsylvanian formation.

(5) That the applicant proposes to request authority to dually complete said well in the Pennsylvanian and Wolfcamp formations at a later date.

(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 Red Hills-Pennsylvanian Gas 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 otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Union Oil Company of California, is hereby granted an exception to the well location requirements of Rule 104 C II (a) of the Commission Rules and Regulations to also project its Red Hills Unit Well No. 2 to the Red Hills-Pennsylvanian Gas Pool at an unorthodox location 990 feet from the North line and 1650 feet from the East line of Section 5, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico.

(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

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Guyton B. Hays*  
GUYTON B. HAYS, Member

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

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