

Entered May 3, 1967
CLP

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. 3558
Order No. R-3227

APPLICATION OF BTA OIL PRODUCERS
FOR AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 26, 1967,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of May, 1967, 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, BTA Oil Producers, seeks an excep-
tion to the Special Rules and Regulations governing the Nonombre-
Upper Pennsylvanian and Nonombre-Lower Pennsylvanian Pools to
drill its Lowe 671 Ltd. Well No. 1 at an unorthodox location
560 feet from the North line and 560 feet from the West line of
Section 5, Township 14 South, Range 34 East, NMPM, Lea County,
New Mexico.

(3) That the Special Rules and Regulations for the subject
pools provide that each well shall be located within 150 feet of
the center of either the northeast quarter or the southwest
quarter of a governmental quarter section.

(4) That the entire NW/4 of said Section 5 can reasonably
be presumed to be productive of oil in the Nonombre-Upper Pennsyl-
vanian Pool.

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(5) That the productivity of approximately 35 acres in the northern and eastern part of the NW/4 of said Section 5 is doubtful in the Nonombre-Lower Pennsylvanian Pool.

(6) That a well drilled at the proposed location is more likely to encounter the Nonombre-Lower Pennsylvanian producing section above the oil-water contact than a well drilled at a standard location for the Nonombre-Lower Pennsylvanian Pool and should, therefore, result in greater ultimate recovery of oil from said pool.

(7) That approval of the proposed unorthodox location will not violate correlative rights and will afford the applicant the opportunity to produce its just and equitable share of the oil from the subject pools, 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 provided that in the Nonombre-Lower Pennsylvanian Pool the subject well receives no more than 125/160 of a standard allowable for said pool.

IT IS THEREFORE ORDERED:

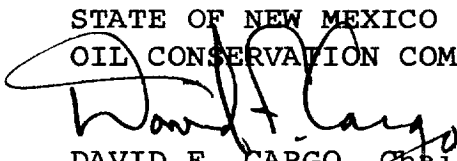
(1) That the applicant, BTA Oil Producers, is hereby granted an exception to the Special Rules and Regulations governing the Nonombre-Upper Pennsylvanian and Nonombre-Lower Pennsylvanian Pools to drill its Lowe 671 Ltd. Well No. 1 at an unorthodox location 560 feet from the North line and 560 feet from the West line of Section 5, Township 14 South, Range 34 East, NMPM, Lea County, New Mexico;

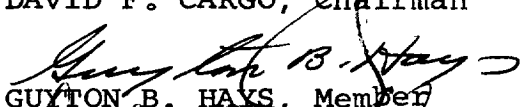
PROVIDED HOWEVER, that in the Nonombre-Lower Pennsylvanian Pool the subject well shall receive no more than 125/160 of a standard allowable for said pool.

(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


GUYTON B. HAYS, Member


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

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