Entered August 1, 1967 OS.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. 3627 Order No. R-3290

APPLICATION OF GULF OIL CORPORATION 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 July 26, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>lst</u> day of August, 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, Gulf Oil Corporation, seeks authority to drill its R. E. Cole (NCT-A) Well No. 9 at an unorthodox oil well location in undesignated Silurian and Montoya oil pools 1075 feet from the South line and 2395 feet from the West line of Section 16, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That a well drilled at the above-described location will avoid topographic difficulties that would be encountered at a standard location in the SE/4 SW/4 of said Section 16.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the undesignated Silurian and Montoya oil pools, will prevent the economic loss caused by the drilling of -2-CASE No. 3627 Order No. R-3290

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, Gulf Oil Corporation, is hereby authorized to drill its R. E. Cole (NCT-A) Well No. 9 at an unorthodox oil well location in undesignated Silurian and Montoya oil pools 1075 feet from the South line and 2395 feet from the West line of Section 16, Township 22 South, Range 37 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 CONSURVATION COMMISSION

1

DAVID F. CARGO, Chairman

upla B-Ma GUYTON B. HAYS, Member L. PORTER, Jr., Member & Secretary

SEAL