Entered May 30, 1968 D.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. 3761 Order No. R-3414

APPLICATION OF HARLAN PRODUCTION COMPANY FOR AN UNORTHODOX OIL WELL LOCATION, EDDY COUNTY, NEW MEXICO.

## ORDER OF THE COMMISSION

## BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 16, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>20th</u> day of May, 1968, 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, Harlan Production Company, is the operator of the Harlan Production-Queen Waterflood Project in the Grayburg-Jackson Pool in Sections 16 and 17, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks authority to drill its Etz-State Well No. 15, an oil producing well, in said waterflood project at an unorthodox location in the Grayburg-Jackson Pool 1650 feet from the North line and 1325 feet from the West line of Section 16, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(4) That there is a possibility of oil being swept from the Harlan Production-Queen Waterflood Project Area to adjoining leases to the north. -2-CASE No. 3761 Order No. R-3414

(5) That waterflood operations are not being conducted on said adjoining leases.

(6) That approval of the proposed location should increase the efficiency of the Harlan Production-Queen Waterflood Project and lessen, to a substantial degree, the aforesaid possible migration of oil from the property operated by the applicant, thereby preventing waste and protecting the correlative rights of the applicant.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the pool, and will otherwise prevent waste and protect correlative rights.

## IT IS THEREFORE ORDERED:

(1) That the applicant, Harlan Production Company, is hereby authorized to drill its Etz-State Well No. 15, an oil producing well, in the Harlan Production-Queen Waterflood Project Area at an unorthodox location in the Grayburg-Jackson Pool 1650 feet from the North line and 1325 feet from the West line of Section 16, Township 17 South, Range 30 East, NMPM, Eddy 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.

A. L.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

2.0 DAVID F. CARGO, Chairman n B. TON B. HAYS, Member

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PORTER, Jr., Member & Secretary

SEAL

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