

*Entered September 9, 1968
C.I.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. 3838
Order No. R-3490

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN AMENDMENT TO ORDER NO. R-872 AND
AN UNORTHODOX GAS WELL LOCATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 21, 1968,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of September, 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, Continental Oil Company, is the
co-owner and operator of the Lockhart "B" Lease consisting of the
W/2 of Section 13 and the E/2 E/2 of Section 14, Township 21
South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That by Order No. R-872, dated August 30, 1956, the
Commission approved a 480-acre non-standard gas proration unit
in the Eumont Gas Pool comprising the acreage in said Lockhart
"B" Lease to be dedicated to applicant's Lockhart "B-14" Well
No. 4 (presently designated the Lockhart "B" Well No. 4), located
1980 feet from the North line and 660 feet from the East line of
said Section 14.

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(4) That the applicant now seeks the amendment of said Order No. R-872 to permit the simultaneous dedication of the non-standard gas proration unit authorized therein to the aforesaid Well No. 4 and to its Lockhart "B" Well No. 7 located at an unorthodox location 330 feet from the North line and 330 feet from the West line of said Section 13; that the applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

(5) That the aforesaid Lockhart "B" Well No. 7 was drilled at a standard location for the production of oil from the Eunice Pool but has been recompleted as a gas well in the Eumont Gas Pool.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the Continental Lockhart "B" Wells Nos. 4 and 7.

(7) That approval of the proposed non-standard gas proration unit and unorthodox well location will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(8) That Order No. R-872 should be superseded.

IT IS THEREFORE ORDERED:

(1) That a 480-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 of Section 13 and the E/2 E/2 of Section 14, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Continental Oil Company Lockhart "B" Well No. 7, located at an unorthodox location 330 feet from the North line and 330 feet from the West line of Section 13, and to the Continental Oil Company Lockhart "B" Well No. 4, located 1980 feet from the North line and 660 feet from the East line of Section 14, both in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That the allowable assigned to the above-described non-standard gas proration unit shall be based upon the unit size of

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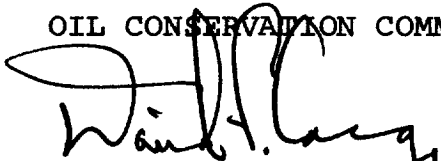
480 acres and that the operator may produce the allowable assigned to the unit from the subject wells in any proportion.

(3) That Order No. R-872, dated August 30, 1956, is hereby superseded.

(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
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

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