

*Entered July 13, 1969*  
*A.P.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. 4089  
Order No. R-3737-A

APPLICATION OF PAUL M. MERSHON, Jr.,  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing de novo at 8 a.m. on June 26, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 15th day of July, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Paul M. Mershon, Jr., seeks authority to drill a gas well at an unorthodox gas well location in the Indian Basin-Upper Pennsylvanian Gas Pool 990 feet from the North line and 990 feet from the East line of Section 21, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico.

(3) That a standard location for the subject well would require the well to be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line.

(4) That the evidence indicates that approximately 280 acres in the S/2 S/2, the S/2 N/2 S/2, and the S/2 N/2 N/2 S/2 of said Section 21 is not productive of gas from the Upper Pennsylvanian formation.

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(5) That the evidence indicates that approximately 360 acres in the N/2 and the N/2 N/2 N/2 S/2 of said Section 21 is probably productive of gas from the Upper Pennsylvanian formation.

(6) That the evidence indicates that a well at the proposed unorthodox location in said Section 21 should recover more gas than a well at an orthodox location.

(7) That the correlative rights of some offset operators will be impaired if the entire Section 21 is dedicated to the subject well.

(8) That correlative rights will not be impaired by the drilling of a well at the proposed unorthodox location if only that acreage in said Section 21 found to be reasonably productive of gas from the Upper Pennsylvanian formation is dedicated to the subject well.

(9) That approval of the proposed unorthodox location will afford the applicant the opportunity to produce his just and equitable share of the gas in the Indian Basin-Upper 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, provided no more than 360 acres is dedicated to the subject well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Paul M. Mershon, Jr., is hereby authorized to drill a gas well at an unorthodox gas well location in the Indian Basin-Upper Pennsylvanian Gas Pool 990 feet from the North line and 990 feet from the East line of Section 21, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico;

PROVIDED HOWEVER, that no more than 360 acres shall be dedicated to said well, being the N/2 and the N/2 N/2 N/2 S/2 of said Section 21;

PROVIDED FURTHER, that the maximum allowable assigned to the subject well shall be in the same proportion to a standard allowable for the Indian Basin-Upper Pennsylvanian Gas Pool that 360 bears to 640.

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(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

  
ALEX J. ARMIJO, Member

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

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