

Entered September 8, 1969
ALP.

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. 4195
Order No. R-3833

APPLICATION OF CONTINENTAL OIL COMPANY
FOR EIGHT NON-STANDARD GAS PRORATION
UNITS AND A NON-STANDARD GAS WELL LOCA-
TION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 1969, 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, seeks the
rededication of certain acreage and the establishment of the
following non-standard gas proration units in Township 20 South,
Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico:

A 120-acre non-standard unit comprising the SE/4
NE/4 and E/2 SE/4 of Section 14, to be dedicated
to the "SEMU" Well No. 46, located in Unit I of
said Section 14;

A 240-acre non-standard unit comprising the NE/4
and E/2 SE/4 of Section 26, to be dedicated to

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the "SEMU" Well No. 64, located in Unit G of said Section 26;

A 560-acre non-standard unit comprising the W/2 and W/2 SE/4 of Section 26 and the E/2 E/2 of Section 27, to be dedicated to the "SEMU" Well No. 65, located in Unit L of said Section 26;

A 640-acre non-standard unit comprising the W/2 and the W/2 E/2 of Section 14 and the E/2 E/2 of Section 15, to be dedicated to the "SEMU" Well No. 66, located in Unit L of said Section 14;

A 320-acre non-standard unit comprising the SE/4, S/2 NE/4, and E/2 SW/4 of Section 24, to be dedicated to the "SEMU" Well No. 67, located in Unit K of said Section 24;

A 640-acre non-standard unit comprising the E/2 and E/2 W/2 of Section 23 and the W/2 W/2 of Section 24, to be dedicated to the "SEMU" Well No. 68, located in Unit J of said Section 23;

An 80-acre non-standard unit comprising the E/2 NW/4 of Section 24, to be dedicated to the "SEMU" Well No. 69, located in Unit F of said Section 24;

A 320-acre non-standard unit comprising the E/2 E/2 of Section 22 and the W/2 W/2 of Section 23, to be dedicated to the "SEMU" Well No. 90, to be completed at a non-standard location 660 feet from the South line and 660 feet from the East line of said Section 22.

(3) That each of the proposed non-standard gas proration units is productive of gas.

(4) That each of the proposed non-standard gas proration units can be efficiently and economically drained and developed by the well to which it is to be dedicated.

(5) That approval of the proposed non-standard gas proration units and of the unorthodox location for the "SEMU" Well No. 90 in the Eumont Gas Pool will afford the applicant the opportunity to produce its just and equitable share of the gas in the Eumont Gas

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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, provided the beginning status of each of the subject units is adjusted in accordance with the existing net status of the acreage to be dedicated to said units.

(6) That in order to establish the proposed non-standard gas proration units, Administrative Orders NSP-530, NSP-723, and Commission Orders Nos. R-2989, R-1889, and R-1979 should be superseded by this order.

IT IS THEREFORE ORDERED:

(1) That the following-described non-standard gas proration units in Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico, are hereby created:

- (a) A 120-acre non-standard unit comprising the SE/4 NE/4 and E/2 SE/4 of Section 14, to be dedicated to the "SEMU" Well No. 46, located in Unit I of said Section 14;
- (b) A 240-acre non-standard unit comprising the NE/4 and E/2 SE/4 of Section 26, to be dedicated to the "SEMU" Well No. 64, located in Unit G of said Section 26;
- (c) A 560-acre non-standard unit comprising the W/2 and W/2 SE/4 of Section 26 and the E/2 E/2 of Section 27, to be dedicated to the "SEMU" Well No. 65, located in Unit L of said Section 26;
- (d) A 640-acre non-standard unit comprising the W/2 and the W/2 E/2 of Section 14 and the E/2 E/2 of Section 15, to be dedicated to the "SEMU" Well No. 66, located in Unit L of said Section 14;
- (e) A 320-acre non-standard unit comprising the SE/4, S/2 NE/4, and E/2 SW/4 of Section 24, to be dedicated to the "SEMU" Well No. 67, located in Unit K of said Section 24;

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- (f) A 640-acre non-standard unit comprising the E/2 and E/2 W/2 of Section 23 and the W/2 W/2 of Section 24, to be dedicated to the "SEMU" Well No. 68, located in Unit J of said Section 23;
- (g) An 80-acre non-standard unit comprising the E/2 NW/4 of Section 24, to be dedicated to the "SEMU" Well No. 69, located in Unit F of said Section 24;
- (h) A 320-acre non-standard unit comprising the E/2 E/2 of Section 22 and the W/2 W/2 of Section 23, to be dedicated to the "SEMU" Well No. 90, to be completed at a non-standard location 660 feet from the South line and 660 feet from the East line of said Section 22.

(2) That Administrative Orders NSP-530, NSP-723, and Commission Orders Nos. R-2989, R-1889, and R-1979 are hereby superseded.

(3) That the acreage factor for allowable purposes assigned to each of the above-described non-standard gas proration units shall bear the same ratio to a standard gas proration unit as the acreage in said unit bears to the acreage in a standard gas proration unit in the Eumont Gas Pool.

(4) That the beginning status of each of the above-described units shall be adjusted in accordance with the existing net status of the acreage to be dedicated to said units.

(5) That the provisions of this order shall be effective as of October 1, 1969, subject to compliance with applicable rules and regulations.

(6) 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. ARMSTRONG, Member

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

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