

*Entered June 27, 1970
C.F.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. 4358
Order No. R-3985

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA FOR A NON-STANDARD
GAS PRORATION UNIT AND UNORTHODOX
LOCATION, ROOSEVELT COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 27, 1970,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 29th day of June, 1970, 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, Union Oil Company of California,
seeks approval of an unorthodox gas well location for its Federal
18 Well No. 2 which is located 660 feet from the South line and
660 feet from the East line of Section 18, Township 8 South,
Range 38 East, NMPM, Bluitt-San Andres Associated Pool, Roosevelt
County, New Mexico.
- (3) That the applicant also seeks approval of a 240-acre
non-standard gas proration unit comprising the NE/4 and the E/2
SE/4 of said Section 18 to be dedicated to the above-described
well.
- (4) That the subject well was projected as an oil well at
a standard location in the Bluitt-San Andres Associated Pool but
was productive of gas in said pool.

-2-

Case No. 4358

Order No. R-3985

(5) That a well located in the NW/4 NE/4 of said Section 18 produced oil and no free gas.

(6) That only approximately 200 acres comprising the E/2 E/2 and SW/4 NE/4 of the proposed non-standard proration unit appears to be productive of gas.

(7) That a non-standard proration unit comprising the E/2 E/2 and SW/4 SE/4 of said Section 18 can be efficiently and economically drained and developed by the subject well.

(8) That approval of the subject unorthodox well location and a non-standard proration unit comprising the E/2 E/2 and SW/4 NE/4 of said Section 18 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, will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location in the Bluit-San Andres Associated Pool is hereby approved for the Union Oil Company of California Federal 18 Well No. 2 located 660 feet from the South line and 660 feet from the East line of Section 18, Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico.

(2) That a 200-acre non-standard gas proration unit comprising the E/2 E/2 and SW/4 NE/4 of the aforesaid Section 18 is hereby established and dedicated to the aforesaid Well No. 2.

(3) That the above-described non-standard gas proration unit shall be assigned an allowable based upon the unit size of 200 acres effective May 1, 1970.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

Case No. 4358


Order No. R-3985

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILJO, Member


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

S E A L

ir/