

Entered August 25, 1970
A.L.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. 4411
Order No. R-4025

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN EXCEPTION TO RULE 104 C I, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on August 19, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of August, 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, Continental Oil Company, is the owner and operator of the following-described wells in Township 17 South, Range 34 East, NMPM, Vacuum Field, Lea County, New Mexico:

State "H" 35 Well No. 5, located 1980 feet from the North line and 1980 feet from the East line of Section 35;

State "H" 35 Well No. 10, located 2030 feet from the North line and 1780 feet from the East line of Section 35.

(3) That the applicant seeks an exception to Rule 104 C I of the Commission Rules and Regulations to permit the recompletion

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of said Well No. 10 in the Vacuum Grayburg-San Andres Pool closer than 660 feet to said Well No. 5 which also produces from the Vacuum Grayburg-San Andres Pool.

(4) That said Well No. 10 was drilled at a standard location and by Administrative Order MC-1422 authorized to produce as a dual completion from the Vacuum-Glorieta and Vacuum-Blinebry Pools.

(5) That the applicant proposes to recompleate the subject well as a single completion to produce from the Vacuum Grayburg-San Andres Pool.

(6) That the applicant proposes to simultaneously dedicate the SW/4 NE/4 of said Section 35 to the subject Wells Nos. 5 and 10 with assignment of a single 40-acre Vacuum Grayburg-San Andres allowable to the unit to be produced from either of said wells in any proportion.

(7) That the recompleation of said Well No. 10 as proposed by the applicant will permit zones in the Vacuum Grayburg-San Andres Pool to be opened to production that are not so opened in said Well No. 5.

(8) That approval of the subject application will prevent the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, will prevent reduced recovery which might result from the drilling of too few wells, will afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the Vacuum Grayburg-San Andres Pool, and will otherwise prevent waste and protect correlative rights.

(9) That Administrative Order MC-1422 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby granted an exception to Rule 104 C I of the Commission Rules and Regulations to recompleate its State "H" 35 Well No. 10 at an unorthodox location in the Vacuum Grayburg-San Andres Pool 2030 feet from the North line and 1780 feet from the East line of Section 35, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

(2) That the SW/4 NE/4 of said Section 35 shall be simultaneously dedicated to said Well No. 10 and to applicant's State "H"

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35 Well No. 5, located 1980 feet from the North line and 1980 feet from the East line of said Section 35; that a single 40-acre Vacuum Grayburg-San Andres allowable shall be assigned to said 40-acre unit; and that the applicant is hereby authorized to produce any or all of the said allowable from either of said wells.

(3) That Administrative Order MC-1422 is hereby superseded.

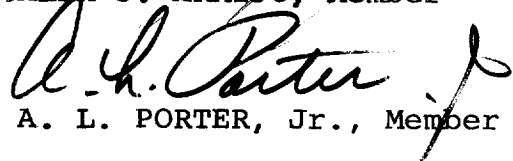
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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

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