

*Entered October 15, 1970*

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. 4439  
Order No. R-4043

APPLICATION OF SHENANDOAH OIL CORPORATION  
FOR AN UNORTHODOX GAS WELL LOCATION, CHAVES  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on October 14, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of October, 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, Shenandoah Oil Corporation, is the operator of a lease comprising the S/2 of Section 22, Township 6 South, Range 27 East, NMPM, adjacent to an undesignated Pennsylvanian gas pool, Chaves County, New Mexico.

(3) That the applicant seeks authority to drill a gas well to the Pennsylvanian formation adjacent to said undesignated pool at an unorthodox location 1980 feet from the South line and 660 feet from the West line of said Section 22.

(4) That the evidence indicates that a well drilled at the proposed non-standard location is more likely to encounter a permeable section of the productive formation than a well drilled at a standard location in the S/2 of said Section 22

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and should, therefore, result in greater ultimate recovery of gas, thereby preventing waste.

(5) That the evidence indicates that the entire S/2 of said Section 22 is productive of gas from the Pennsylvanian formation.

(6) That the entire S/2 of said Section 22 can be efficiently and economically drained and developed by the subject well.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject undesignated 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 and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shenandoah Oil Corporation, is hereby granted an exception to the well location requirements of Rule 104 C II of the Commission Rules and Regulations and is hereby authorized to drill a well at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line of Section 22, Township 6 South, Range 27 East, NMPM, Chaves County, New Mexico.

(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. ARMIO, Member

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

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