

*Entered August 3, 1971
A.L.D.*

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. 4571
Order No. R-4175

APPLICATION OF READ & STEVENS
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 a.m. on July 28, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of August, 1971, 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, Read & Stevens, Inc., seeks authority to drill a gas well at an unorthodox gas well location 990 feet from the South line and 990 feet from the West line of Section 5, Township 15 South, Range 28 East, NMPM, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, to be dedicated to a gas proration unit comprising the S/2 of said Section 5, in exception to the provisions of Rule 2 of Order No. R-1670-H.

(3) That the Special Rules and Regulations governing the Buffalo Valley-Pennsylvanian Gas Pool provide that each well completed or recompleted in said pool shall be located in the northwest quarter or the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section nor nearer than 330 feet to any governmental quarter-quarter section line.

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(4) That the proposed location, in the southwest quarter of said Section 5, is an off-pattern quarter section location.

(5) That the evidence indicates that a well drilled at the proposed non-standard location in the southwest quarter of said Section 5 should encounter a thicker and more prolific pay section of the Pennsylvanian sand than a well drilled at a standard location in said section and should, therefore, result in greater ultimate recovery of gas, thereby preventing waste.

(6) That approval of the proposed unorthodox location will not violate correlative rights and will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject 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.

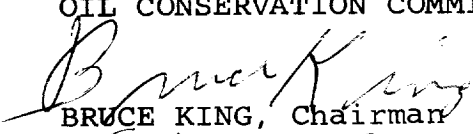
IT IS THEREFORE ORDERED:

(1) That the applicant, Read & Stevens, Inc., is hereby authorized to drill a gas well at an unorthodox location 990 feet from the South line and 990 feet from the West line of Section 5, Township 15 South, Range 28 East, NMPM, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, to be dedicated to a gas proration unit comprising the S/2 of said Section 5.


(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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

S E A L

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