

*Entered June 15, 1972*  
*C.H.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. 4734  
Order No. R-4324

NOMENCLATURE

APPLICATION OF HANAGAN PETROLEUM  
CORPORATION FOR POOL EXTENSION,  
NON-STANDARD SPACING UNIT, AND  
UNORTHODOX LOCATION, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 7, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of June, 1972, 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, Hanagan Petroleum Corporation, seeks an order extending the horizontal limits of the Catclaw Draw-Morrow Gas Pool, to include all of Section 24, Township 21 South, Range 25 East, NMPM, and all of Section 19, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

(3) That the applicant further seeks approval of a 636.38-acre non-standard gas spacing proration unit comprising all of the above-described Section 19 to be dedicated to its Nan-Bet Well No. 1 located at an unorthodox location, for the Catclaw Draw-Morrow Gas Pool, 1980 feet from the North line and 660 feet from the West line of said Section 19.

(4) That the Nan-Bet Well No. 1 was drilled at a standard gas well location to test the Morrow formation and was completed as a gas well in the Morrow formation.

(5) That the Nan-Bet Well No. 1 is producing from the same common source of supply that is designated as the Catclaw Draw-Morrow Gas Pool.

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(6) That the above-described Section 24 is situated between the present horizontal limits of the Catclaw Draw-Morrow Gas Pool and the location of the Nan-Bet Well No. 1; that said Section 24 can reasonably be presumed to be productive of gas from the same common source of supply that is designated as the Catclaw Draw-Morrow Gas Pool.

(7) That the unorthodox size of the above-described Section 19 is due to a variation in the legal subdivision of the U. S. Public Land Surveys.

(8) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Catclaw Draw-Morrow Gas Pool, will prevent the economical loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the Catclaw Draw-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM  
Section 24: All

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 19: All

(2) That an unorthodox location is hereby approved for the Hanagan Petroleum Corporation Nan-Bet Well No. 1, located 1980 feet from the North line and 660 feet from the West line of Section 19, Township 21 South, Range 26 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico.

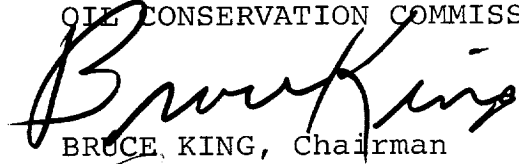
(3) That a 636.38-acre non-standard gas proration unit in the Catclaw Draw-Morrow Gas Pool comprising all of Section 19, Township 21 South, Range 26 East, Eddy County, New Mexico, is hereby established and dedicated to the aforesaid Nan-Bet Well No. 1.

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


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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. ARMILLO, Member

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

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