

Entered June 4, 1974
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. 5241
Order No. R-4800

APPLICATION OF DEPCO, INC. 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 May 22, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of June, 1974, 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, Depco, Inc., seeks, as an exception to the Buffalo Valley-Pennsylvanian Pool Rules, approval of an unorthodox gas well location 1325 feet from the North line and 1325 feet from the East line of Section 3, Township 15 South, Range 27 East, NMPM, to test the Pennsylvanian formation, Buffalo Valley-Pennsylvanian Pool, Chaves County, New Mexico.
- (3) That the N/2 of said Section 3 is to be dedicated to the well.
- (4) That the entire N/2 of said Section 3 may be reasonably presumed to be productive of gas from the Pennsylvanian formation.
- (5) That a well at said unorthodox location will more likely encounter a predicted Morrow Sand Channel and will better enable applicant to produce the gas underlying the proration unit.
- (6) That no offset operator objected to the proposed unorthodox location.
- (7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable

-2-

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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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

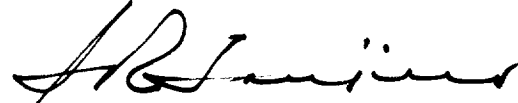
(1) That an unorthodox gas well location for the Pennsylvanian formation is hereby approved for applicant's well to be located at a point 1325 feet from the North line and 1325 feet from the East line of Section 3, Township 15 South, Range 27 East, NMPM, Buffalo Valley-Pennsylvanian Pool, Chaves County, New Mexico.

(2) That the N/2 of said Section 3 shall be dedicated to the above-described well.

(3) 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


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


A. L. PORTER, JR., Member Secretary

S E A L

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