

Entered June 25, 1974
A.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. 5253
Order No. R-4816

APPLICATION OF THE PETROLEUM
CORPORATION FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 5, 1974,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th 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, The Petroleum Corporation, seeks
approval of a gas well location for its Superior Federal Well
No. 3 to be drilled to the Morrow formation 660 feet from the
South line and 660 feet from the West line of Section 4, Town-
ship 20 South, Range 29 East, NMPM, Eddy County, New Mexico.
- (3) That the W/2 of said Section 4 is to be dedicated to
the well.
- (4) That a well at said unorthodox location will better
enable applicant to produce the gas underlying the proration unit.
- (5) That due to the unorthodox location of the above-
described well, the correlative rights of some offset operators
will be impaired if unrestricted production by the subject well
is permitted.
- (6) That to offset the advantage to be gained over offset
operators, the subject well to be drilled in the W/2 of Section
4 should be assigned a ratable take factor of 76 percent.

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(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 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 Morrow formation is hereby approved for The Petroleum Corporation's Superior Federal Well No. 3 to be located at a point 660 feet from the South line and 660 feet from the West line of Section 4, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.

PROVIDED HOWEVER, that said well is assigned a ratable take factor of 76 percent.

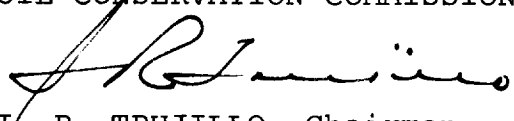
PROVIDED FURTHER, that in the event that said well shall be included in a pool which is prorated, the subject well shall be assigned an acreage factor for proration purposes of 0.76.

(2) That the W/2 of said Section 4 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 herein-above 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

jr/