

Entered October 29, 1974
R.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. 5341
Order No. R-4894

APPLICATION OF TEXAS OIL & GAS
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 October 16, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of October, 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, Texas Oil and Gas Corporation, seeks approval of a gas well location for its Williamson Federal Well No. 3 to be drilled to the Morrow formation 660 feet from the North line and 1980 feet from the East line of Section 9, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.
- (3) That the E/2 of said Section 9 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 an offset operator will be impaired if unrestricted production by the subject well is permitted.
- (6) That to offset the advantage to be gained over the offset operator, the subject well to be drilled in the E/2 of Section 9 should be assigned a ratable take factor of 91 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 Texas Oil and Gas Corporation Williamson Federal Well No. 3 to be located at a point 660 feet from the North line and 1980 feet from the East line of Section 9, Township 20 South, Range 29 East, NMPM, Eddy County, New Mexico.

PROVIDED HOWEVER, that said well is assigned a ratable take factor of 91 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 0.91.


(2) That the E/2 of said Section 9 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. ARMILLO, Member


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

S E A L

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