

Entered November 4, 1976
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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. 5793
Order No. R-5314

APPLICATION OF DUGAN PRODUCTION
CORPORATION FOR AN UNORTHODOX
GAS WELL LOCATION, RIO ARriba
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 27, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of November, 1976, 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, Dugan Production Corporation, seeks approval of an unorthodox gas well location for its Sherman Edward Well No. 2A, located 2500 feet from the North line and 510 feet from the West line of Section 3, Township 29 North, Range 5 West, NMPM, to test the Mesaverde formation, Blanco Mesaverde Gas Pool, Rio Arriba County, New Mexico.

(3) That the N/2 of said Section 3 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 no offset operator objected to the proposed unorthodox location.

(6) 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.

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IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Mesaverde formation is hereby approved for applicant's Sherman Edward Well No. 2A, located 2500 feet from the North line and 510 feet from the West line of Section 3, Township 29 North, Range 5 West, NMPM, Blanco Mesaverde Gas Pool, Rio Arriba County, New Mexico.

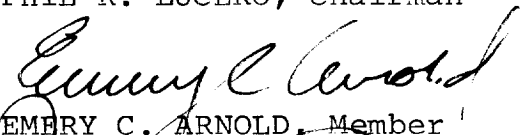
(2) That the N/2 of said Section 3 shall be dedicated to the above-described well.

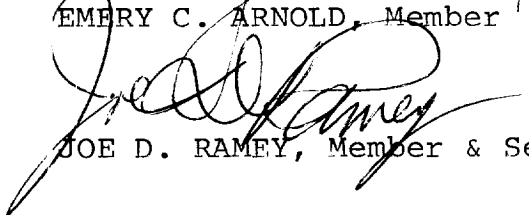
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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