

Entered March 29, 1977

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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. 5885  
Order No. R-5315-A

APPLICATION OF CONTINENTAL OIL COMPANY  
FOR AMENDMENT OF ORDER NO. R-5315,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 23, 1977,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of March, 1977, 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, Continental Oil Company, seeks the  
amendment of Order No. R-5315 to permit the dedication of a  
previously approved 320-acre proration unit in Section 31, Town-  
ship 22 South, Range 31 East, Los Medanos Field, Eddy County, New  
Mexico, to a well to be drilled, commencing no later than November  
1, 1977, at a standard location in Unit E of said Section 31,  
rather than in Unit L as previously approved.

(3) That the W/2 of said Section 31 is to be dedicated to  
the well.

(4) 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 augmenta-  
tion 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 Order (1) of Commission Order No. R-5315 is hereby  
amended to read in its entirety as follows:

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"(1) That all mineral interests, whatever they may be, in the Pennsylvanian formation underlying the W/2 of Section 31, Township 22 South, Range 31 East, NMPM, Los Medanos Field, Eddy County, New Mexico, are hereby pooled to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at a standard location in Unit E of said Section 31.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the first day of November, 1977, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Morrow formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the first day of November, 1977, Order (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Commission for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Commission and show cause why Order (1) of this order should not be rescinded."

(2) 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

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

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