Entered January 4, 19>>

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. 5817 Order No. R-5342

APPLICATION OF READ & STEVENS, INC. 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 December 15, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of January, 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, Read & Stevens, Inc., seeks approval of an unorthodox gas well location for its W. R. State Com. Well No. 1 to be drilled 660 feet from the South line and 990 feet from the East line of Section 6, Township 21 South, Range 27 East, NMPM, to test the Pennsylvanian formation, Burton Flat Field, Eddy County, New Mexico.
- (3) That Lots 9, 10, 15, and 16, and the SE/4 of said Section 6 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.

-2-Case No. 5817 Order No. R-5342

(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.

IT IS THEREFORE ORDERED:

- (1) That an unorthodox gas well location for the Pennsylvanian formation is hereby approved for the Read & Stevens, Inc. W. R. State Com. Well No. 1 to be drilled at a point 660 feet from the South line and 990 feet from the East line of Section 6, Township 21 South, Range 27 East, NMPM, Burton Flat Field, Eddy County, New Mexico.
- (2) That Lots 9, 10, 15, and 16, and the SE/4 of said Section 6 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

SEAL

dr/