

Entered August 9, 1977
JLR

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. 5988
Order No. R-5501

APPLICATION OF CONTINENTAL OIL
COMPANY FOR THREE UNORTHODOX
LOCATIONS, RIO ARRIBA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 20, 1977,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 9th day of August, 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
an exception to Rule 2-A of the Blanco-Mesaverde Gas Pool
Rules, to permit the drilling of its AXI Apache "N" Wells
Nos. 12 and 14 in the NW/4 of Sections 11 and 1, respectively,
and its AXI Apache "O" Well No. 10 in the SE/4 of Section 3,
all in Township 25 North, Range 4 West, NMPM, Rio Arriba
County, New Mexico.

(3) That the W/2 of said Section 11, the W/2 of said
Section 1, and the E/2 of said Section 3 are to be dedicated,
respectively, to said wells.

(4) That the unorthodox locations of said wells have
resulted from clerical error.

(5) That no offset operator objected to the proposed
unorthodox locations.

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(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, will otherwise prevent waste and will not harm correlative rights.

IT IS THEREFORE ORDERED:

(1) That Continental Oil Company is hereby granted three unorthodox gas well locations, all in Township 25 North, Range 4 West, NMPM, Blanco-Mesaverde Pool, Rio Arriba County, New Mexico, as follows:

the AXI Apache "N" Well No. 12 located 1190 feet from the North line and 1850 feet from the West line of Section 11;

the AXI Apache "N" Well No. 14 located 840 feet from the North line and 1850 feet from the West line of Section 1; and

the AXI Apache "O" Well No. 10 located 1795 feet from the South line and 1565 feet from the East line of Section 3.

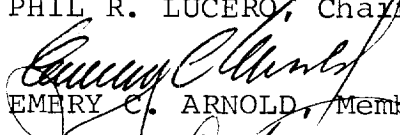
(2) That the W/2 of said Section 11, the W/2 of said Section 1, and the E/2 of said Section 3 are to be dedicated, respectively, to the wells.

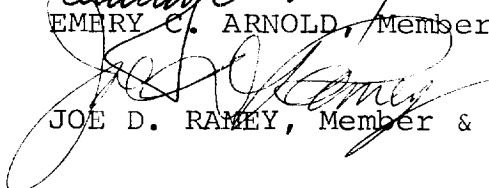
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year 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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