

Entered September 22, 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. 6024  
Order No. R-5536

APPLICATION OF READ & STEVENS,  
INC. FOR TWO UNORTHODOX GAS WELL  
LOCATIONS, CHAVES COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 14, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 27th day of September, 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 two unorthodox gas well locations for its R & J Federal Well No. 1 located in the center of Unit A of Section 20, Township 12 South, Range 31 East, and its Jackson Well No. 1 located in the center of Unit I of Section 25, Township 12 South, Range 30 East, Southeast Chaves-Queen Gas Area, Chaves County, New Mexico.

(3) That the applicant's request for dismissal of that portion of this case which relates to said Jackson Well No. 1 should be granted.

(4) That said R & J Federal Well No. 1 was drilled and completed prior to the promulgation of rules providing for 320-acre spacing in the subject area, and was drilled at a standard location on a 160-acre unit.

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(5) That the applicant now proposes to dedicate the E/2 of said Section 20 to said R & J Federal Well No. 1 in accordance with the current rules for the subject area.

(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 is hereby approved for the Read & Stevens R & J Federal Well No. 1 located in the center of Unit A of Section 20, Township 12 South, Range 31 East, Southeast Chaves-Queen Gas Area, Chaves County, New Mexico.

(2) That the E/2 of said Section 20 shall be dedicated to said R & J Federal Well No. 1.

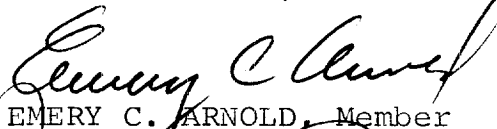
(3) That that portion of Case No. 6024 dealing with the proposed unorthodox location of applicant's Jackson Well No. 1 in Unit I of Section 25, Township 12 South, Range 30 East, Chaves County, New Mexico, is hereby dismissed.

(4) 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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