

Entered April 11, 1978

JDR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6197
Order No. R-5701

APPLICATION OF AMERADA HESS CORPORATION
FOR A NON-STANDARD PRORATION UNIT, AN
UNORTHODOX LOCATION AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 5, 1978, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 11th day of April, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amerada Hess Corporation, seeks approval of a 320-acre non-standard gas proration unit comprising the N/2 of Section 36, Township 23 South, Range 36 East, NMPM, to be simultaneously dedicated to its State LMT Well No. 5 at an unorthodox location in Unit A of said Section 36 and its Well No. 2 in Unit F.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Jalmat Gas 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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(5) That Administrative Order No. NSP-744, which approved a 320-acre non-standard unit to be dedicated to applicant's above-described Well No. 5 only, should be superseded.

IT IS THEREFORE ORDERED:

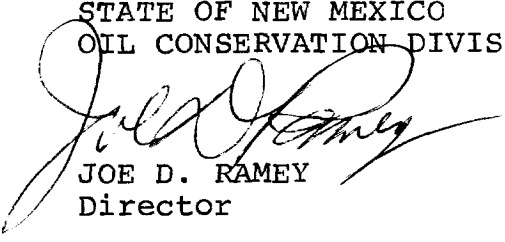
(1) That a 320-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 of Section 36, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the Amerada Hess Corporation State LMT Well No. 5 at an unorthodox location in Unit A and to its State LMT Well No. 2 in Unit F both in said Section 36.

(2) That Administrative Order No. NSP-744 is hereby superseded.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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