

Entered June 21, 1978
JLR

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. 6215
Order No. R-5735

APPLICATION OF TEXAS OIL & GAS
CORPORATION FOR A NON-STANDARD
PRORATION UNIT AND AN UNORTHODOX
GAS WELL LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 17, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of June, 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, Texas Oil & Gas Corporation, seeks approval of a 320-acre non-standard gas proration unit comprising the N/2 of Section 29, Township 20 South, Range 36 East, NMPM, to be dedicated to a well to be located at an unorthodox location 660 feet from the North line and 660 feet from the West line of said Section 29.

(3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the North Osudo-Morrow 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 said North Osudo-Morrow Gas Pool is in a late stage of development.

(5) That production from wells in said pool on offsetting proration units has declined to marginal status.

-2-

Case No. 6215

Order No. R-5735

(6) That completion of a well at the proposed non-standard location will not adversely affect the correlative rights of the offset operators within the zones completed in their wells.

(7) That a well drilled at the proposed unorthodox location may encounter productive zones not being drained by offset wells.

(8) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the North Osudo-Morrow 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.

IT IS THEREFORE ORDERED:

(1) That the application of Texas Oil & Gas Corporation for a 320-acre non-standard gas proration unit in the North Osudo-Morrow Gas Pool comprising the N/2 of Section 29, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby approved, and said unit shall be dedicated to a well to be drilled at an unorthodox location 660 feet from the North line and 660 feet from the West line of said Section 29.

(2) 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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