

Entered June 29, 1978
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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. 6261
Order No. R-5760

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A NON-STANDARD GAS PRORATION
UNIT 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 June 21, 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, Continental Oil Company, seeks approval of a 320-acre non-standard gas proration unit comprising the W/2 of Section 20, Township 21 South, Range 36 East, NMPM, to be simultaneously dedicated to its State C-20 Wells Nos. 5 and 6, located in Units M and C, respectively, of said Section 20.

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

(4) That the over/under produced status of said 320-acre proration unit should be the combined status of said State C-20 Wells Nos. 5 and 6.

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(5) That Division Administrative Orders Nos. NSP-1016 and NSP-1017, which previously approved 160-acre units for each of the above-described wells should be superseded.

(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Eumont 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 effective July 1, 1978, a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 of Section 20, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to its State C-20 Wells Nos. 5 and 6, located in Units M and C of said Section 20.

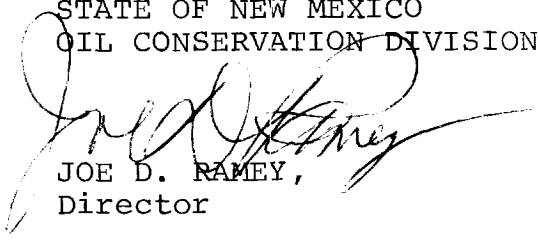
(2) That the over/under produced status of said 320-acre proration unit shall be the combined status of said State C-20 Wells Nos. 5 and 6.

(3) That Division Administrative Orders Nos. NSP-1016 and NSP-1017 are hereby superseded.

(4) 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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