

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 9341
Order No. R-5782-A

APPLICATION OF ENRON OIL AND
GAS COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 30, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 5th day of May, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Enron Oil and Gas Company, seeks approval to re-enter the Amoco Production Company Teledyne "4" Gas Well No. 1 located at a previously approved unorthodox gas well location 660 feet from the South line and 330 feet from the East line (Unit P) of Section 4, Township 23 South, Range 29 East, NMPM, to test the Undesignated Laguna Salado-Atoka Gas Pool, Eddy County, New Mexico, to be dedicated to the S/2 of said Section 4, thereby forming a standard 320-acre gas spacing and proration unit.

(3) Said well was originally drilled in 1978 to a depth of 13,399 feet to test the Wolfcamp and Pennsylvanian formations, whereby it was determined not to be commercially productive and was subsequently plugged and abandoned.

(4) Approval for this location was granted by Division Order No. R-5782, dated August 18, 1978.

(5) No offset operator objected to the proposed unorthodox gas well location.

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected 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 THAT:

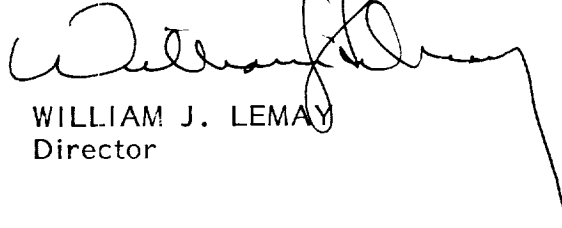
(1) The application of Erron Oil and Gas Company to re-enter the Amoco Production Company Teledyne "4" Gas Well No. 1 located at a previously approved unorthodox gas well location 660 feet from the South line and 330 feet from the East line (Unit P) of Section 4, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico, is hereby approved.

(2) The S/2 of said Section 4 shall be dedicated to the above-described well.

(3) 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



WILLIAM J. LEMAY
Director

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