

Entered November 30, 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. 6369
Order No. R-5872

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR AN UNORTHODOX GAS WELL 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 November 8, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of November, 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, Amoco Production Company, seeks approval of an unorthodox gas well location for its State "DR" Well No. 3 to be drilled at a point 660 feet from the North line and 660 feet from the East line of Section 16, Township 19 South, Range 32 East, NMPM, to test the Morrow formation, Lusk-Morrow Gas Pool, Lea County, New Mexico.

(3) That the applicant further seeks to simultaneously dedicate the N/2 of said Section 16 to said well and to its State "DR" Well No. 1 located in Unit F of said section.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 6369

Order No. R-5872

(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:

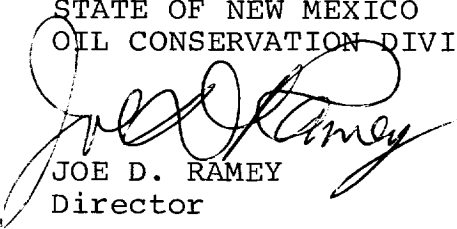
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Amoco Production Company State "DR" Well No. 3 to be drilled at a point 660 feet from the North line and 660 feet from the East line of Section 16, Township 19 South, Range 32 East, NMPM, Lusk-Morrow Gas Pool, Lea County, New Mexico.

(2) That the applicant is further authorized to simultaneously dedicate the N/2 of said Section 16 to the above-described well and to its State "DR" Well No. 1 located in Unit F of said section.

(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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