

Entered June 26, 1979  
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. 6555  
Order No. R-6029

APPLICATION OF JAKE L. HAMON FOR  
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 23, 1979,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 26th day of June, 1979, 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, Jake L. Hamon, seeks approval of  
an unorthodox gas well location 660 feet from the North line  
and 560 feet from the East line of Section 30, Township 20 South,  
Range 36 East, NMPM, to test the Morrow formation, Osudo-Morrow  
Gas Pool, Lea County, New Mexico.
- (3) That all of said Section 30 is to be dedicated to the  
well.
- (4) That a well at said unorthodox location will better  
enable applicant to produce the gas underlying the proration  
unit.
- (5) That offsetting applicant's proposed unorthodox loca-  
tion to the East is a 320-acre non-standard proration unit  
consisting of the N/2 of Section 29, said unit being dedicated  
to a well at a non-standard location 660 feet from the North  
and West lines of said Section 29.

-2-

Case No. 6555  
Order No. R-6029

(6) That the offset operator in the N/2 of said Section 29 has objected to the proposed non-standard location.

(7) That said offset operator would not have objected to a non-standard location 660 feet from the North and East lines of said Section 30.

(8) That a shallow dry hole located 660 feet from the North and East lines of said Section 30 precludes the applicant from drilling at such location.

(9) That a well located at the proposed non-standard location would have a drainage radius that extends into the N/2 of said Section 29 approximately 4.8 acres more than a well located 660 feet from the North and East lines of said Section 30.

(10) That this 4.8-acre net additional drainage outside said Section 30 constitutes approximately 0.75 percent of a standard proration unit (640-acres) within said pool.

(11) That no practical procedure was proposed for offsetting so small an advantage as would be gained by the applicant over the objecting offset operator resulting from the drilling and completion of a well at the proposed non-standard location.

(12) 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 a well to be located at a point 660 feet from the North line and 560 feet from the East line of Section 30, Township 20 South, Range 36 East, NMPM, Osudo-Morrow Gas Pool, Lea County, New Mexico.

(2) That all of said Section 30 shall be dedicated to the above-described well.

-3-

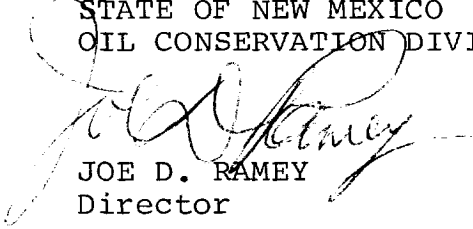
Case No. 6555

Order No. R-6029

(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 herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY  
Director

S E A L

fd/