

Entered November 21, 1979
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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. 6724
Order No. R-6194

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of November, 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, Coquina Oil Corporation, seeks approval of a 320-acre non-standard gas proration unit comprising the S/2 of Section 7, Township 19 South, Range 32 East, NMPM, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1650 feet from the East line of said Section 7.
- (3) That said unorthodox location results from the proposed re-entry of an old well previously drilled to the Strawn formation.
- (4) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Lusk-Morrow Gas Pool and that the entire non-standard gas proration

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unit can be efficiently and economically drained and developed by the aforesaid well at the above-described unorthodox location.

(5) That no offset operator objected to the proposed non-standard proration unit or to the proposed unorthodox location.

(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 Lusk-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 a 320-acre non-standard gas proration unit in the Lusk-Morrow Gas Pool comprising the S/2 of Section 7, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be re-entered and drilled deeper at an unorthodox location 660 feet from the South line and 1650 feet from the East line of said Section 7.

(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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