

Entered December 21, 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. 6754  
Order No. R-6218

APPLICATION OF PETROLEUM DEVELOPMENT  
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 December 12, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of December, 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, Petroleum Development Corporation, seeks approval of an unorthodox location for its Sherri-Dawn Well No. 1, to be drilled 660 feet from the North line and 660 feet from the West line of Section 15, Township 19 South, Range 32 East, NMPM, Lusk-Morrow Gas Pool, Lea County, New Mexico.

(3) That the applicant has requested dismissal of that portion of this case relating to a 320-acre non-standard gas proration unit comprising the W/2 of said Section 15.

(4) That all of said Section 15 is to be dedicated to the well.

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

-2-

Case No. 6754

Order No. R-6218

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

(7) 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 the application of Petroleum Development Corporation for an unorthodox gas well location is hereby approved for its Sherri-Dawn Well No. 1 to be drilled 660 feet from the North line and 660 feet from the West line of Section 15, Township 19 South, Range 32 East, NMPM, Lusk-Morrow Gas Pool, Lea County, New Mexico.

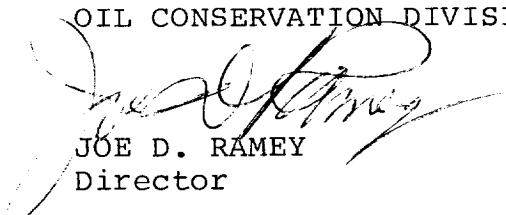
(2) That all of said Section 15 shall be dedicated to the aforesaid well.

(3) That that portion of the application relating to a non-standard gas proration unit is hereby dismissed.

(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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