

Entered August 26, 1981
JDR

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. 7284
Order No. R-6759

APPLICATION OF ENERGY RESERVES
GROUP, INC. FOR AN UNORTHODOX
GAS WELL LOCATION, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 12, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of August, 1981, 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, Energy Reserves Group, Inc., seeks approval of an unorthodox gas well location for its Miller Well No. 1 located 660 feet from the South line and 660 feet from the West line of Section 12, Township 6 South, Range 33 East, NMPM, to test the Cisco formation, Roosevelt County, New Mexico.

(3) That the S/2 of said Section 12 is to be dedicated to the well.

(4) That said well was projected as an oil well and drilled at an orthodox oil well location but encountered gas in the Cisco and was plugged back to said formation.

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

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(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:

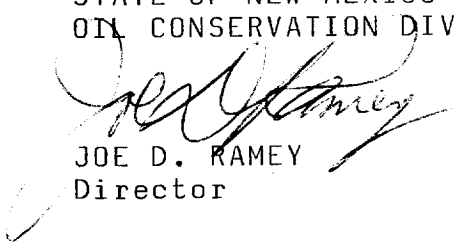
(1) That an unorthodox gas well location for the Cisco formation is hereby approved for the Energy Reserves Group, Inc. Miller Well No. 1 located at a point 660 feet from the South line and 660 feet from the West line of Section 12, Township 6 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

(2) That the S/2 of said Section 12 shall be dedicated to the above-described well.

(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

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