

Entered November 24, 1981  
JRK

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. 7374  
Order No. R-6823

APPLICATION OF DUGAN PRODUCTION CORPORATION  
FOR AN UNORTHODOX GAS WELL LOCATION,  
SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 21, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of November, 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, Dugan Production Corporation, seeks approval of an unorthodox gas well location 330 feet from the South line and 990 feet from the East line of Section 9, Township 28 North, Range 11 West, NMPM, to test the Farmington formation, San Juan County, New Mexico.

(3) That the E/2 of said Partial Section 9 is to be dedicated to the well.

(4) That the unorthodox location resulted from the completion as a gas well of a well projected as an oil well.

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

(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

-2-

Case No. 7374

Order No. R-6823

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:

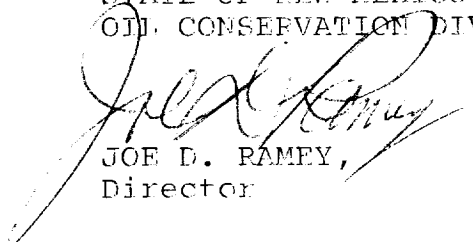
(1) That the application of Dugan Production Corporation for an unorthodox gas well location for the Farmington formation is hereby approved for its Redfern Well No. 7 located at a point 330 feet from the South line and 990 feet from the East line of Section 9, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico.

(2) That the E/2 of said Partial Section 9 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 hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Director

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