

Entered November 18, 1981
JMR

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. 7394
Order No. R-6836

APPLICATION OF SUPRON ENERGY
CORPORATION FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY 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 18th 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, Supron Energy Corporation, seeks approval of an unorthodox gas well location 467 feet from the North line and 1650 feet from the West line of Section 13, Township 22 South, Range 24 East, NMPM, to test the Pennsylvanian formation, McKittrick Hills Field, Eddy County, New Mexico.

(3) That the N/2 of said Section 13 is to be dedicated to the well.

(4) That the NW/4 of said Section 13 is also the subject of a competing application wherein Uriah Exploration Incorporated seeks an order pooling all mineral interests in the Cisco, Canyon, and Morrow formations underlying the W/2 of said section and the drilling of a well at a standard location thereon.

(5) That in each case, the primary target is the McKittrick Hills-Upper Pennsylvanian Gas Pool.

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(6) That the best available geologic data presented at the hearing demonstrated that the Upper Pennsylvanian reservoir underlays essentially all of the W/2 of said Section 13 but extends only to a very minor degree into the NE/4.

(7) That approval of the Uriah Exploration Incorporated application in Case No. 7393 for compulsory pooling will more nearly permit the dedication of productive acreage to the well to be drilled and more closely permit the owners of reserves thereunder to recover their share thereof than approval of the competing application, thereby protecting correlative rights.

(8) That the application in Case No. 7393 should be approved.

(9) That the application in Case No. 7394 should be denied.

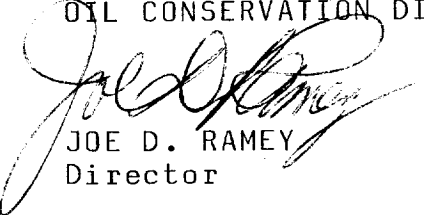
IT IS THEREFORE ORDERED:

(1) That the application of Supron Energy Corporation for an unorthodox gas well location for the Pennsylvanian formation for a well to be located at a point 467 feet from the North line and 1650 feet from the West line of Section 13, Township 22 South, Range 24 East, NMPM, McKittrick Hills Field, Eddy County, New Mexico, is hereby denied.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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