

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9352
Order No. R-8643

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 13, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 21st day of April, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Nearburg Producing Company, seeks approval for an unorthodox gas well location 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 11, Township 20 South, Range 25 East, NMPM, Undesignated Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(3) The applicant proposes to dedicate a standard 320-acre gas spacing and proration unit consisting of the W/2 of said Section 11 to the proposed well.

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(4) The applicant presented geologic evidence at the hearing which indicates that a well drilled at the proposed location would penetrate the Morrow formation at a more structurally advantageous position than a well drilled at a standard location thereon, thereby increasing the likelihood of obtaining a commercial producing well.

(5) The applicant is the operator of the affected offset acreage to the West.

(6) 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 THAT:

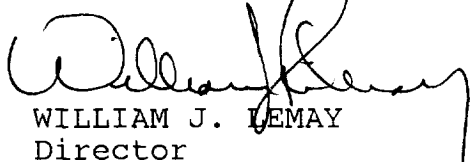
(1) The applicant, Nearburg Producing Company, is hereby authorized to drill a gas well at an unorthodox gas well location 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 11, Township 20 South, Range 25 East, NMPM, Undesignated Cemetery-Morrow Gas Pool, Eddy County, New Mexico.

(2) The W/2 of said Section 11 shall be dedicated to the above described well.

(3) 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


WILLIAM J. LEMAY
Director

S E A L