

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. 10304
Order No. R-9512

APPLICATION OF CIBOLA ENERGY CORPORATION FOR
A UNIT AGREEMENT, OTERO COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 30, 1991, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 3rd day of June, 1991, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:


The applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 10304 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY,
Director

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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. 10297
ORDER NO. R-9513

**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 May 2, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 23rd day of May, 1991 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 of an unorthodox gas well location 2500 feet from the North line and 330 feet from the West line (Unit E) of Section 15, Township 22 South, Range 27 East, NMPM, to test both the Undesignated Carlsbad-Strawn Gas Pool and Undesignated South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico.

(3) The W/2 of said Section 15 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for both pools.

(4) The applicant's primary zone of interest for this well is the Strawn formation.

(5) The geologic evidence presented by the applicant to support the unorthodox location in the Strawn interval indicates the presence of a localized porous-carbonate thickening trending northeast/southwest.

(6) The applicant's geologic evidence further shows that the crest of this thickened interval traverses almost the entire width of the proposed 320-acre spacing unit.

(7) The same geological conditions that exist at the proposed unorthodox location in the Strawn formation appear to extend to the northeast into the "standard drilling window" in the SW/4 NW/4 of said Section 15 for a gas well to this depth (see Division Rule 104.C.II).

(8) Evidence presented by the applicant did not substantially support the need for said unorthodox gas well location; nor did the applicant show that said unorthodox location would not initiate an irregular well pattern for future development in the extended Carlsbad-Strawn Gas Pool leading to the necessity for the drilling of additional wells to offset any unorthodox drainage pattern resulting from the drilling of this well which could therefore result in waste.

(9) The applicant's request in this matter should therefore be denied.

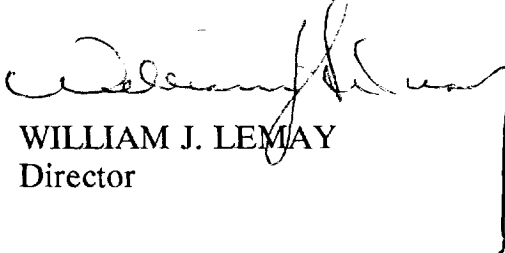
IT IS THEREFORE ORDERED THAT:

(1) The application of Nearburg Producing Company for an unorthodox gas well location for both the Undesignated Carlsbad-Strawn Gas and Undesignated Carlsbad-Morrow Gas Pools to be located 2500 feet from the North line and 330 feet from the East line (Unit E) of Section 15, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, is hereby denied.

(2) 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

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