

*Entered March 2, 1970
R.L.P.*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4306
Order No. R-3926

APPLICATION OF CITIES SERVICE OIL COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT AND
UNORTHODOX GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 18, 1970, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 2nd day of March, 1970, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Cities Service Oil Company, seeks authority to drill its Springs Unit Well No. 4 at an unorthodox location 1000 feet from the North line and 660 feet from the East line of Section 3, Township 21 South, Range 25 East, NMPM, Springs-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That the applicant also seeks approval of a 298-acre non-standard gas proration unit in the Springs-Upper Pennsylvanian Gas Pool comprising Lots 1, 2, 8, 9, 15, 16, 17, and 18 and Tract 37 of said Section 3 to be dedicated to the subject well.

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(4) That the unorthodox size and shape of the proposed non-standard unit is due to variations in the United States Public Land Surveys.

(5) That due to the unorthodox size and shape of the proposed non-standard unit a well cannot be drilled at a standard location in the NE/4 of said unit.

(6) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the subject well.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Springs-Upper Pennsylvanian Gas 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 location is hereby approved for the Cities Service Oil Company Springs Unit Well No. 4 to be drilled 1000 feet from the North line and 660 feet from the East line of Section 3, Township 21 South, Range 25 East, NMPM, Springs-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico.

(2) That a 298-acre non-standard gas proration unit in the Springs-Upper Pennsylvanian Gas Pool comprising Lots 1, 2, 8, 9, 15, 16, 17, and 18 and Tract 37 of Section 3, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to the Cities Service Oil Company Springs Unit Well No. 4.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ABILJO, Member

A. L. PORTER, Jr., Member & Secretary

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