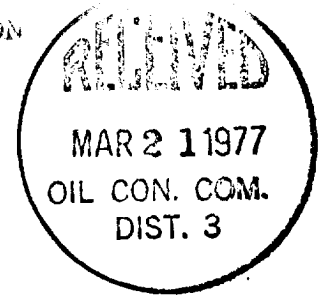


BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO



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

CASE NO. 5862
Order No. R-5379

APPLICATION OF PALMER OIL AND GAS
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 16, 1977
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of March, 1977, the Commission,
a quorum being present, 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 Commission has jurisdiction of this cause and the
subject matter thereof.
- (2) That the applicant, Palmer Oil and Gas Company, seeks
approval of an unorthodox gas well location for its Federal 1
Well No. 1 located 1525 feet from the South line and 820 feet
from the East line of Section 1, Township 31 North, Range 13
West, NMPM, to test the Mesaverde and Dakota formations, Blanco
Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.
- (3) That the S/2 of said Section 1 is to be dedicated to
the well.
- (4) That said unorthodox location resulted from
administrative oversight.
- (5) That no offset operator objected to the proposed
unorthodox location.

*Order file - Index
✓ Backlog
- well file
open.*

(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 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 gas well location for the Mesaverde and Dakota formations is hereby approved for applicant's Federal 1 Well No. 1 to be located at a point 1525 feet from the South line and 820 feet from the East line of Section 1, Township 31 North, Range 13 West, NMPM, Blanco Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.

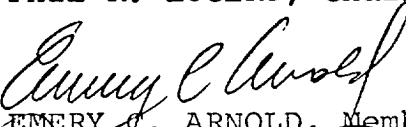
(2) That the S/2 of said Section 1 shall be dedicated to the above-described well.

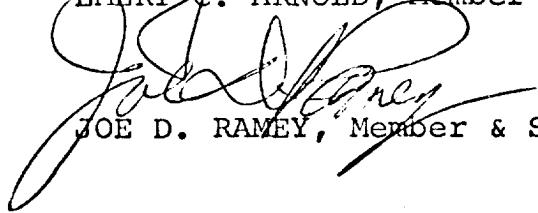
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

dr/