

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. 6156
Order No. R-5674

APPLICATION OF SOUTHLAND ROYALTY 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 22 and March 8, 1978, at Santa Fe, New Mexico, before Examiners Richard L. Stamets and Daniel S. Nutter, respectively.

NOW, on this 21st day of March, 1978, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiners, 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, Southland Royalty Company, seeks approval of an unorthodox gas well location 1120 feet from the North line and 1790 feet from the West line of Section 24, Township 31 North, Range 12 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico.

(3) That the 320-acre non-standard proration unit previously authorized by Commission Order NWU-37 shall be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

(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 is hereby approved for the Southland Royalty Company East Well No. 5A to be located at a point 1120 feet from the North line and 1790 feet from the West line of Section 24, Township 31 North, Range 12 West, NMPM, Blanco-Mesaverde Pool, San Juan County, New Mexico.

(2) That the previously approved 320-acre non-standard gas proration unit consisting of the SE/4 SE/4 of Section 23 and the SW/4, S/2 NW/4 and NE/4 NW/4 of Section 24, both in said Township 31 North, Range 12 West, 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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