

Entered January 15, 1963  
W.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. 2628  
Order No. R-2399

APPLICATION OF MARATHON OIL COMPANY  
FOR AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing de novo at 9 o'clock a.m. on December 19, 1962, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of December, 1962, the Commission, a quorum being present, having considered the evidence and being otherwise 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, Marathon Oil Company, seeks approval of an unorthodox gas well location 990 feet from the North line and 990 feet from the East line of Section 30, Township 18 South, Range 26 East, NMPM, Atoka-Pennsylvanian Gas Pool, Eddy County, New Mexico.

(3) That the Special Rules and Regulations governing the Atoka-Pennsylvanian Gas Pool provide that each well completed or recompleted in said pool shall be located in the northwest quarter or the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section nor nearer than 330 feet to any governmental quarter-quarter section line.

(4) That the evidence establishes that productivity of Atoka-Pennsylvanian gas from the W/2 of the NW/4 of Section 30, Township 18 South, Range 26 East is doubtful, and that approval of the subject application would therefore impair the correlative rights of offset operators in the E/2 of Section 19, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

(5) That the drilling of an Atoka-Pennsylvanian gas well not closer than 1295 feet to the North line and 990 feet to the East line of Section 30 would not impair correlative rights if the NE/4 and the E/2 NW/4 of Section 30, Township 18 South, Range 26 East was dedicated to said well.

(6) That the drilling of an Atoka-Pennsylvanian gas well not closer than 990 feet to the north or south unit boundaries and not closer than 2615 feet to the East line of Section 30 would tend to establish the productivity of the W/2 of the NW/4 of Section 30 and therefore would not impair correlative rights if the entire N/2 of Section 30, Township 18 South, Range 26 East was dedicated to said well.

(7) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

PROVIDED HOWEVER, That the applicant, Marathon Oil Company, is hereby authorized to drill an Atoka-Pennsylvanian gas well at an unorthodox location not closer than 1295 feet to the North line and 990 feet to the East line of Section 30, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, and to dedicate the NE/4 and the E/2 NW/4 of Section 30, Township 18 South, Range 26 East to said well.

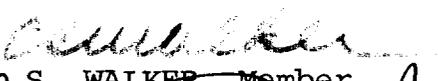
PROVIDED FURTHER, That, as an alternative, the applicant is hereby authorized to drill an Atoka-Pennsylvanian gas well at an unorthodox location not closer than 990 feet to the north or south unit boundaries and not closer than 2615 feet to the East line of said Section 30, and to dedicate the N/2 of Section 30, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, to said well.

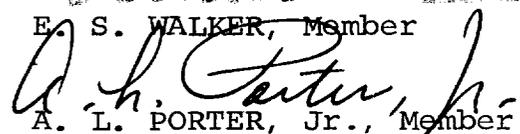
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
TOM BOLACK, Chairman

  
E. S. WALKER, Member

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

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