

*Entered October 4, 1967
C.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. 3658
Order No. R-3323

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT
AND AN UNORTHODOX LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 27, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of October, 1967, 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, Continental Oil Company, is the owner and operator of the Sanderson B-1 Well No. 2, located 1650 feet from the North line and 330 feet from the East line of Section 10, Township 20 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico; that said well presently has dedicated to it 160 acres in the Eumont Gas Pool comprising the E/2 E/2 of said Section 10, approved by Administrative Order NSP-417.

(3) That the applicant now seeks approval of a 240-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 NW/4, NW/4 NE/4, and E/2 E/2 of said Section 10 to be dedicated to its Sanderson B-1 Well No. 2; further that the location of the well is unorthodox for a 240-acre unit in said pool.

(4) That the entire proposed non-standard gas proration unit may reasonably be presumed to be productive of gas from the Eumont Gas Pool.

-2-

CASE No. 3658
Order No. R-3323

(5) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by the Sanderson B-1 Well No. 2.

(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 Eumont Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

(7) That Administrative Order NSP-417 should be superseded.

IT IS THEREFORE ORDERED:

(1) That an unorthodox location in the Eumont Gas Pool is hereby approved for the Continental Oil Company Sanderson B-1 Well No. 2, located 1650 feet from the North line and 330 feet from the East line of Section 10, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) That a 240-acre non-standard gas proration unit in the Eumont Gas Pool comprising the NE/4 NW/4, NW/4 NE/4, and E/2 E/2 of Section 10, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Continental Oil Company Sanderson B-1 Well No. 2.

(3) That Administrative Order NSP-417 is hereby superseded.

(4) 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

Guyton B. Hays
GUYTON B. HAYS, Member

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

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