

*Entered September 9, 1968
C.S.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. 3848
Order No. R-3489

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A NON-STANDARD GAS PRORATION UNIT
AND AN 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 August 21, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of September, 1968, 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 Levers Federal Lease comprising all of Section 2, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico.

(3) That the applicant seeks approval of a 296-acre non-standard gas proration unit in the Springs-Upper Pennsylvanian Gas Pool comprising all of Lots 3, 4, 5, 6, 11, 12, 13, and 14 of said Section 2 to be dedicated to its Levers Federal Well No. 1 to be drilled at an unorthodox gas well location from 1594 feet to 1794 feet from the North line and 660 feet from the West line of said Section 2.

(4) That the unorthodox size of the proposed non-standard unit is due to a variation in the legal subdivision of the United States Public Land Surveys.

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(5) That the location and the 200-foot tolerance for the location are necessitated by extreme topographical conditions in the NW/4 of said Section 2.

(6) That the entire proposed non-standard gas proration unit may reasonably be presumed to be productive of gas from the Springs-Upper Pennsylvanian Gas Pool.

(7) That the proposed non-standard gas proration unit can be efficiently and economically drained and developed by a well located as proposed.

(8) 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, 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.

IT IS THEREFORE ORDERED:

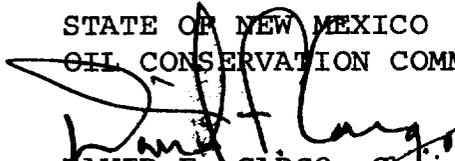
(1) That an unorthodox location in the Springs-Upper Pennsylvanian Gas Pool is hereby approved for the Continental Oil Company Levers Federal Well No. 1 to be located from 1594 feet to 1794 feet from the North line and 660 feet from the West line of Section 2, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico.

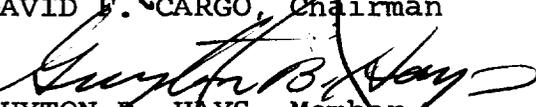
(2) That a 296-acre non-standard gas proration unit in the Springs-Upper Pennsylvanian Gas Pool comprising all of Lots 3, 4, 5, 6, 11, 12, 13, and 14 of Section 2, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to the Continental Oil Company Levers Federal Well No. 1.

(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


GUYTON B. HAYS, Member


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

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