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

CASE NO. 570 Order No. R-364

THE MATTER OF THE APPLICATION OF TREBOL OIL COMPANY FOR PERMISSION TO DRILL IN AN UNORTHODOX LOCATION ITS FED. DANCIGER WELL NO. 1-Y AS A GAS WELL TO THE YATES FORMATION 890 FEET FROM THE NORTH LINE AND 330 FEET FROM THE EAST LINE OF THE NW/4 OF SECTION 5, TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM. LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on August 20, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 17th day of September, 1953, the Commission, a quorum being present, having considered the testimony adduced and exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That Trebol Oil Company is the operator of federal oil and gas leases covering the NW/4 Section 5, Township 23 South, Range 36 East, NMPM (South Eunice Oil Pool - Jalco Gas Pool), Lea County, New Mexico, to a depth of 4,000 feet, upon which are two oil wells producing from the Seven Rivers formation.

(3) That in drilling the aforesaid wells gas in commercial quantities was encountered and cased off in the overlying Yates formation.

(4) That no objections have been filed to the application for authority to drill an unorthodox gas well to the Yates formation in the near vicinity of the deeper oil wells.

IT IS THEREFORE ORDERED:

That the application of Trebol Oil Company for authority to drill and produce a gas well at an unorthodox location to be known as the Federal Danciger No. 1-Y, -2-Case No. 570 Order No. R-364

890 feet from the north line and 2310 feet from the west line of Section 5 in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, in the Jalco Gas Pool, be, and it hereby is approved; provided, however, that said gas well shall be subject in all things to the Rules and Regulations now or hereafter in force and applicable to the Jalco Gas Pool.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

Edwin L. Mechem, Chairman

E. S. Walker, Member

R. R. Spurrier, Secretary

SEAL