

*Entered April 22, 1969
R.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. 4089
Order No. R-3737

APPLICATION OF PAUL M. MERSHON, Jr.,
FOR 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 March 26, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of April, 1969, 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, Paul M. Mershon, Jr., seeks author-
ity to drill a gas well at an unorthodox gas well location in the
Indian Basin-Upper Pennsylvanian Gas Pool 990 feet from the North
line and 990 feet from the East line of Section 21, Township 22
South, Range 23 East, NMPM, Eddy County, New Mexico.

(3) That a standard location for the subject well would
require the well to be located no nearer than 1650 feet to the
outer boundary of the section and no nearer than 330 feet to
any governmental quarter-quarter section line.

(4) That the evidence indicates that approximately 280
acres in the S/2 S/2, the S/2 N/2 S/2, and the S/2 N/2 N/2 S/2
of said Section 21 is not productive of gas from the Upper
Pennsylvanian formation.

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(5) That the evidence indicates that approximately 360 acres in the N/2 and the N/2 N/2 N/2 S/2 of said Section 21 is probably productive of gas from the Upper Pennsylvanian formation.

(6) That the evidence indicates that a well at the proposed unorthodox location in said Section 21 should recover more gas than a well at an orthodox location.

(7) That the correlative rights of some offset operators will be impaired if the entire Section 21 is dedicated to the subject well.

(8) That to offset the advantage to be gained over offset operators by the drilling of a well at the proposed unorthodox location only that acreage in said Section 21 found to be reasonably productive of gas from the Upper Pennsylvanian formation should be dedicated to the subject well.

(9) That approval of the proposed unorthodox location will not violate correlative rights and will afford the applicant the opportunity to produce his just and equitable share of the gas in the Indian Basin-Upper Pennsylvanian Gas 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 otherwise prevent waste, provided no more than 360 acres is dedicated to the subject well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Paul M. Mershon, Jr., is hereby authorized to drill a gas well at an unorthodox gas well location in the Indian Basin-Upper Pennsylvanian Gas Pool 990 feet from the North line and 990 feet from the East line of Section 21, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico;

PROVIDED HOWEVER, that no more than 360 acres shall be dedicated to said well, being the N/2 and the N/2 N/2 N/2 S/2 of said Section 21.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman



ALEX J. ARMIJO, Member



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

S E A L

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