

Entered August 8, 1969
J.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. 4189
Order No. R-3810

APPLICATION OF CAYMAN CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 6, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of August, 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, Cayman Corporation, seeks an exception to Rule 4 of the Special Rules and Regulations governing the High Plains-Pennsylvanian Pool as promulgated by Order No. R-2874 to drill a well at an unorthodox location in the center of the SE/4 NE/4 of Section 15, Township 14 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That the Special Rules and Regulations governing the High Plains-Pennsylvanian Pool provide that each well shall be located within 150 feet of the center of either the northeast quarter or the southwest quarter of a governmental quarter section.

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(4) That the proposed location, in the SE/4 NE/4 of said Section 15, is an off-pattern quarter-quarter section location.

(5) That the applicant proposes to dedicate the entire NE/4 of the aforesaid Section 15 to the subject well.

(6) That the productivity of certain acreage in the west and northwest of the subject quarter section is doubtful in the High Plains-Pennsylvanian Pool.

(7) That the evidence indicates that a well drilled at the proposed non-standard location in the SE/4 NE/4 of said Section 15 should result in greater ultimate recovery of oil than a well drilled at a standard location, thereby preventing waste.

(8) That the correlative rights of other operators in the pool will be impaired if the subject well is assigned a standard allowable for the subject pool.

(9) That approval of the proposed unorthodox location will not violate correlative rights and will afford the applicant the opportunity to produce its just and equitable share of the oil from the subject 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 the subject well, in order to offset any advantage gained by the applicant over other producers by reason of said unorthodox location, receives no more than 80 percent of a standard allowable for the High Plains-Pennsylvanian Pool.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cayman Corporation, is hereby authorized to drill a well at an unorthodox location in the center of the SE/4 NE/4 of Section 15, Township 14 South, Range 34 East, NMPM, adjacent to the High Plains-Pennsylvanian Pool, Lea County, New Mexico;

PROVIDED HOWEVER, that the subject well shall be assigned no more than 80 percent of a standard allowable for said pool.

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(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

DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


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

S E A L

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