

Entered September 16, 1971
A.P.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. 4591
Order No. R-4130-B

APPLICATION OF AMERICAN QUASAR
PETROLEUM COMPANY OF NEW MEXICO
FOR AN UNORTHODOX GAS WELL
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 15, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of September, 1971, 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, American Quasar Petroleum Company of New Mexico, is the operator of the Vaca Draw Unit Area, Lea County, New Mexico, approved by Commission Order No. R-4130, dated April 6, 1971.

(3) That the applicant seeks authority to drill an exploratory gas well at an unorthodox location within said unit area 660 feet from the South line and 660 feet from the East line of Section 21, Township 25 South, Range 33 East, NMPM, to test the Devonian, Pennsylvanian, and Wolfcamp formations within one mile of the Red Hills Field with the primary objective being the Devonian formation.

(4) That a well drilled at the proposed location should

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encounter the Devonian formation structurally higher than a well drilled at a standard location.

(5) That the proposed unorthodox gas well location will not crowd acreage belonging to any other operator.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of gas underlying said unit area, 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 will otherwise prevent waste and protect correlative rights.

(7) That Order No. R-4130-A should be superseded.

IT IS THEREFORE ORDERED:

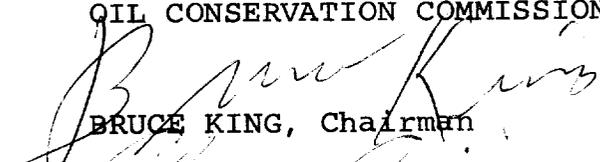
(1) That the applicant, American Quasar Petroleum Company of New Mexico, is hereby authorized to drill an exploratory gas well to the Devonian, Pennsylvanian, and Wolfcamp formations at an unorthodox location 660 feet from the South line and 660 feet from the East line of Section 21, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico.

(2) That Order No. R-4130-A is hereby superseded.

(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


BRUCE KING, Chairman


ALEX J. ARMILJO, Member


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

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