Contend Schung 8, 1972

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. 4656 Order No. R-4255

APPLICATION OF WESTERN OIL PRODUCERS, INC. 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 February 2, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>8th</u> day of February, 1972, 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, Western Oil Producers, Inc., seeks an exception to Rule 104 of the Commission Rules and Regulations to drill a gas well at an unorthodox location 1980 feet from the South line and 990 feet from the West line of Section 29, Township 20 South, Range 36 East, NMPM, undesignated Devonian gas pool, Lea County, New Mexico, with the S/2 of said Section 29 to be dedicated to the well.

(3) That a standard location for the subject well would require the well to be located no nearer than 1980 feet to the nearest end boundary of the section rather than 990 feet as proposed. -2-CASE NO. 4656 Order No. R-4255

(4) That there is evidence that a well at the proposed unorthodox location in said Section 29 would encounter the pay section structually higher than a well at an orthodox location.

(5) That the evidence indicates that a well at the proposed unorthodox location in said Section 29 should recover more gas than a well at an orthodox location.

(6) That the subject well can efficiently and economically drain and develop the entire S/2 of said Section 29.

(7) That approval of the proposed unorthodox location will afford the applicant the opportunity to produce his just and equitable share of the gas in the undesignated Devonian 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.

## IT IS THEREFORE ORDERED:

(1) That the applicant, Western Oil Producers, Inc., is hereby authorized to drill a gas well at an unorthodox gas well location in an undesignated Devonian gas pool, 1980 feet from the South line and 990 feet from the West line of Section 29, Township 20 South, Range 36 East, NMPM, Lea County, New Mexico, the S/2 of said Section 29 to be dedicated to the well.

(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 Chair ING, J. ARMLEO. Ment

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

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