

Entered November 30, 1978
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6370
Order No. R-4958-A

APPLICATION OF AMOCO PRODUCTION COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION AND
SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 8, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of November, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Amoco Production Company, seeks approval of an unorthodox gas well location of its Gilluly B Fed. Well No. 22 to be drilled at a point 2310 feet from the North line and 1980 feet from the West line of Section 33, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.
- (3) That the applicant further seeks to simultaneously dedicate an existing 360-acre non-standard gas proration unit consisting of the SE/4, S/2 NE/4, E/2 SW/4, and SE/4 NW/4 of said Section 33 to said well and to its Gilluly B Federal Wells Nos. 3 and 15 located in Units N and H, respectively, of said section.

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(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

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

IT IS THEREFORE ORDERED:

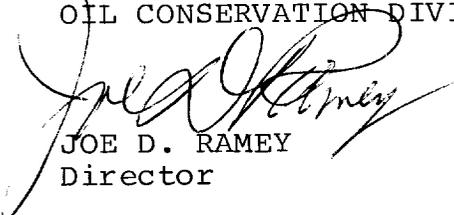
(1) That an unorthodox gas well location is hereby approved for the Amoco Production Company Gilluly B Fed. Well No. 22 to be drilled at a point 2310 feet from the North line and 1980 feet from the West line of Section 33, Township 20 South, Range 37 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.

(2) That the applicant is further authorized to simultaneously dedicate a 360-acre non-standard gas proration unit consisting of the SE/4, S/2 NE/4, E/2 SW/4, and SE/4 NW/4 of said Section 33 to said well and to its Gilluly B Federal Wells Nos. 3 and 15 located in Units N and H, respectively, of said section.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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