

Entered December 23, 1975
JAR

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. 5594
Order No. R-5132

APPLICATION OF GENERAL AMERICAN OIL
COMPANY OF TEXAS 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 December 3, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 23rd day of December, 1975, 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.

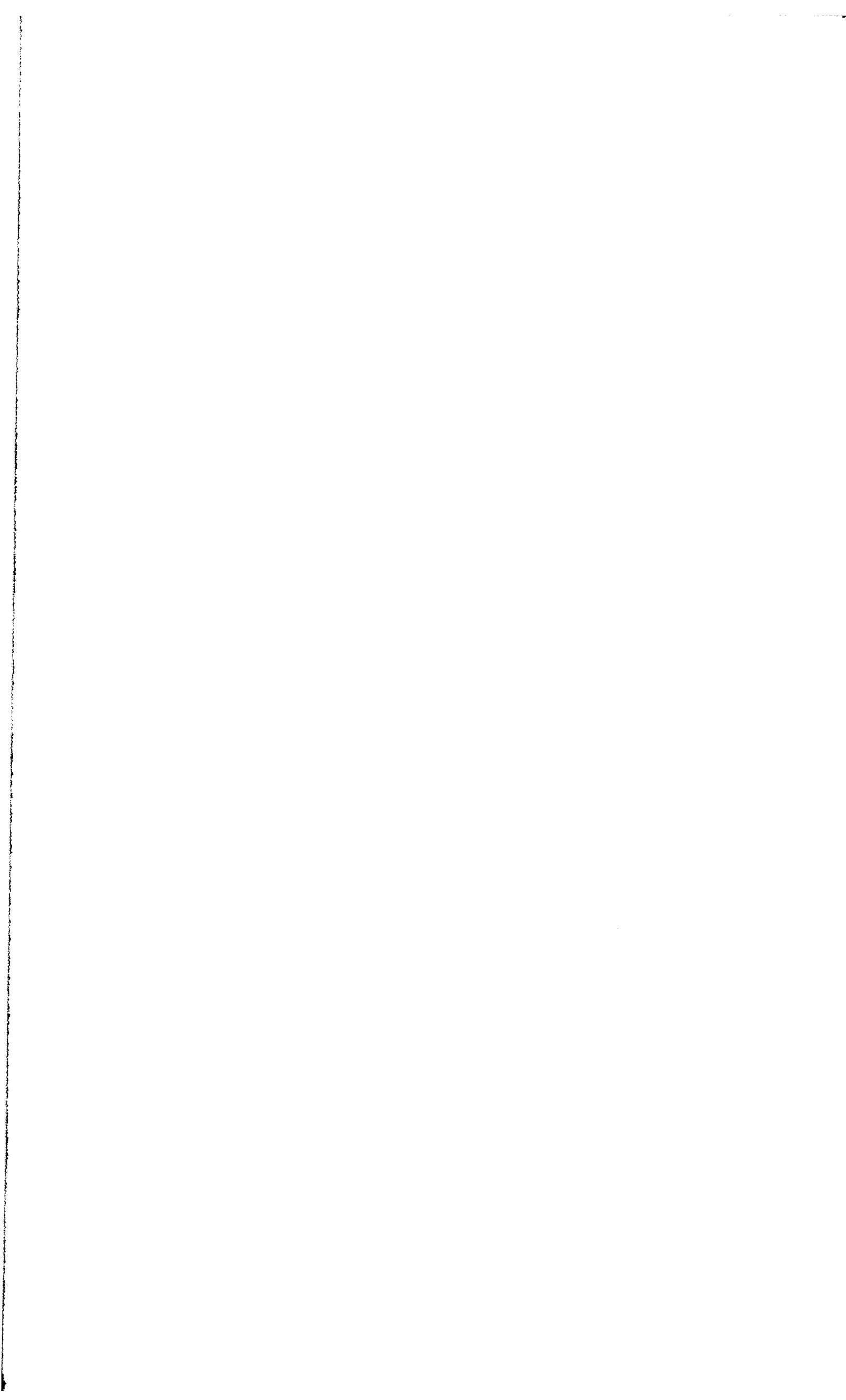
(2) That the applicant, General American Oil Company of Texas, seeks approval of an unorthodox gas well location 330 feet from the South line and 1150 feet from the West line of Section 29, Township 17 South, Range 29 East, NMPM, to test the Wolfcamp and Pennsylvanian formations, Grayburg Gas Field, Eddy County, New Mexico.

(3) That the W/2 of said Section 29 is to be dedicated to the well.

(4) That a well at said unorthodox location will cause drainage across lease lines not offset by counter drainage thereby violating the correlative rights of the offset operator.

(5) That the offset operator objected to the proposed unorthodox location.

(6) That to protect correlative rights, the subject application should be denied.



-2-

Case No. 5594

Order No. R-5132

IT IS THEREFORE ORDERED:

(1) That the application for an unorthodox gas well location for the General American Company of Texas well proposed to be located at a point 330 feet from the South line and 1150 feet from the West line of Section 29, Township 17 South, Range 29 East, NMPM, Grayburg Gas Field, Eddy County, New Mexico is hereby denied.

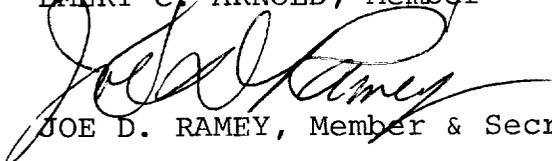
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

jr/