

Entered October 27, 1976

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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. 5783  
Order No. R-5302

APPLICATION OF PALMER OIL AND GAS  
COMPANY FOR AN UNORTHODOX GAS WELL  
LOCATION AND A NON-STANDARD PRORATION  
UNIT, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 13, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 27th day of October, 1976, 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, Palmer Oil and Gas Company, seeks approval for a 335.66-acre non-standard proration unit, comprising all of Sections 6 and 7, Township 26 North, Range 2 West, NMPM, Blanco-Mesaverde Pool, Rio Arriba County, New Mexico.

(3) That the applicant further seeks to dedicate said non-standard proration unit to a well to be drilled at an unorthodox location for said pool at a point 1850 feet from the South line and 700 feet from the West line of said Section 7.

(4) That said Sections 6 and 7 are partial sections resulting from variations in public land surveys.

(5) That the non-standard proration unit is necessary to permit development of said partial Sections 6 and 7.

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(6) That the requested unorthodox location is necessary both as a result of the variation in the land survey and to avoid a non-commercial well drilled in the North half of said Section 7.

(7) 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 the applicant, Palmer Oil and Gas Company, is hereby granted approval of a 335.66-acre non-standard gas proration unit consisting of all of partial Sections 6 and 7, Township 26 North, Range 2 West, NMPM, Blanco-Mesaverde Pool, Rio Arriba County, New Mexico.

(2) That said non-standard gas proration unit shall be dedicated to applicant's well to be drilled at an unorthodox location 1850 feet from the South line and 700 feet from the West line of said Section 7.

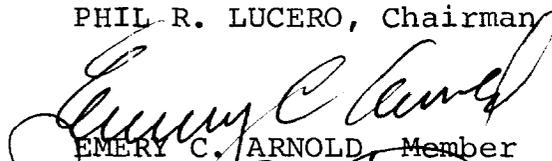
(3) That for allowable purposes said non-standard gas proration unit shall be assigned an acreage factor of 1.05.

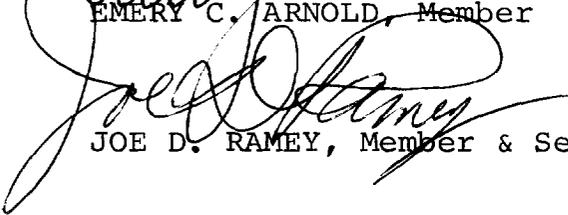
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

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