

Entered October 10, 1979

JAR

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. 6666
Order No. R-6135

APPLICATION OF EXXON CORPORATION
FOR A NON-STANDARD PRORATION UNIT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 19, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of October, 1979, 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, Exxon Corporation, seeks approval of a 377.57-acre non-standard gas proration unit comprising Lots 1, 2, 3, and 4 and the N/2 N/2 of Section 36, Township 26 South, Range 25 East, and Lots 3 and 4 and the N/2 NW/4 of Section 31, Township 26 South, Range 26 East, NMPM, Eddy County, New Mexico, to be dedicated to a Morrow test well to be drilled at a point 660 feet from the North line and 660 feet from the East line of said Section 36.
- (3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Morrow formation and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.
- (4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Morrow formation underlying said lands, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the

-2-

Case No. 6666
Order No. R-6135

drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

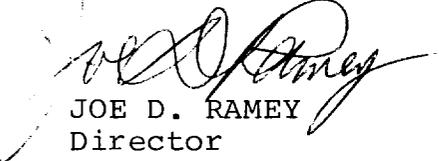
IT IS THEREFORE ORDERED:

(1) That a 377.57-acre non-standard gas proration unit comprising Lots 1, 2, 3, and 4 and the N/2 N/2 of Section 36, Township 26 South, Range 25 East and Lots 3 and 4 and the N/2 NW/4 of Section 31, Township 26 South, Range 26 East, NMPM, Eddy County, New Mexico, is hereby established and dedicated to a Morrow test well to be located in Unit A of said Section 36.

(2) 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

S E A L

fd/