Entered Rovember 28, 19>9 KR

# 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. 6717 Order No. R-6189

APPLICATION OF O. H. BERRY FOR A NON-STANDARD PRORATION UNIT AND AN UNORTHODOX GAS WELL LOCATION, LEA COUNTY, NEW MEXICO.

# ORDER OF THE DIVISION

### BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 14, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>28th</u> day of November, 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, O. H. Berry, seeks approval of a 160-acre non-standard gas proration unit comprising the NE/4 of Section 15, Township 24 South, Range 36 East, NMPM, to be dedicated to his Isbell Well No. 6, located at an unorthodox location 418 feet from the North line and 351 feet from the East line of said Section 15.

(3) That 40 acres of the above described 160 acres, being the SE/4 NE/4 of said Section 15, is dedicated to applicant's Isbell Well No. 7, located 1650 feet from the North line and 330 feet from the East line of the section, and that said well is a Jalmat oil well.

(4) That Rule 29 of the Jalmat Pool Rules, as promulgated by Order No. R-1670, prohibits the simultaneous dedication of acreage to an oil well and a gas well in the Jalmat Gas Pool.

-2-Case No. 6717 Order No. R-6189

(5) That the requested 160-acre non-standard gas proration unit should therefore be reduced to a 120-acre non-standard gas proration unit comprising the N/2 NE/4 and SW/4 NE/4 of the aforesaid Section 15.

(6) That the entire 120-acre non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid Isbell Well No. 6.

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

### IT IS THEREFORE ORDERED:

(1) That a 120-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 NE/4 and SW/4 NE/4 of Section 15, Township 24 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the O. H. Berry Isbell Well No. 6 at an unorthodox location 418 feet from the North line and 351 feet from the East line of said Section 15.

(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 DIL CONSERVATION DIVISION IMER RAMEY 4 JOE D. Director

SEAL fd/