

Entered November 21, 1979
JHR

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. 6718
Order No. R-6190

APPLICATION OF SOUTHLAND ROYALTY
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY 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 21st 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, Southland Royalty Company, seeks approval of an unorthodox gas well location 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, NMPM, Oil-Potash Area, to test the Morrow formation, Eddy County, New Mexico.

(3) That the E/2 of said Section 14 is to be dedicated to the well.

(4) That said unorthodox location is in accordance with an agreement between the applicant, other oil and gas operators in the area, and the operator of a nearby potash mine as being suitable for development of the oil and gas reserves underlying the E/2 of said Section 14 without

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unduly interfering with the orderly commercial development of potash deposits or unduly reducing the total quantity of potash which may reasonably be recovered.

(5) That no offset operator not a signatory to said agreement 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:

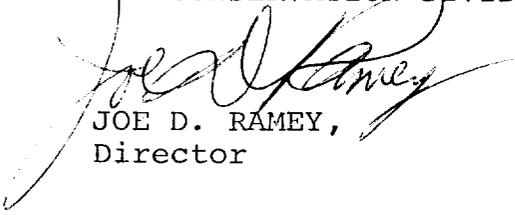
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a well to be located at a point 1325 feet from the North line and 2303 feet from the East line of Section 14, Township 19 South, Range 29 East, NMPM, Oil-Potash Area, Eddy County, New Mexico.

(2) That the E/2 of said Section 14 shall be dedicated to the above-described well.

(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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