

Entered November 2, 1983

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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. 7988
Order No. R-6511-A

APPLICATION OF ALPHA TWENTY-ONE
PRODUCTION COMPANY FOR AN UNORTHODOX
LOCATION AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 26, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 2nd day of November, 1983, 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, Alpha Twenty-One Production Company, seeks approval of an unorthodox gas well location for its Gregory "A" Federal Well No. 3 to be located 1650 feet from the North line and 660 feet from the West line of Section 33, Township 25 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the applicant further seeks to simultaneously dedicate a previously approved 440-acre non-standard proration unit (Division Order No. R-687, dated September 15, 1955) comprising the S/2, S/2 NW/4, and NW/4 NW/4 of said Section 33 to the above-described well and to its Gregory "A" Federal Wells Nos. 1 and 2, located in the NW/4 SE/4 and the NW/4 NW/4, respectively, of said Section 33.

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(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator 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 affected 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:

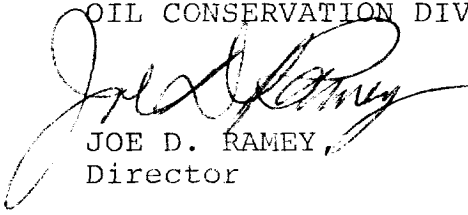
(1) That the applicant, Alpha Twenty-One Production Company, is hereby authorized to drill its Gregory "A" Federal Well No. 3 at an unorthodox location 1650 feet from the North line and 660 feet from the West line of Section 33, Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico.

(2) That the S/2, S/2 NW/4, and NW/4 NW/4 of said Section 33 shall be simultaneously dedicated to the above-described well and to applicant's Gregory "A" Federal Wells Nos. 1 and 2 located in the NW/4 SE/4 and the NW/4 NW/4, respectively, of said Section 33.

(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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