

Entered November 6, 1980
JLR

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. 7071
Order No. R-6517

APPLICATION OF JAKE L. HAMON FOR
AN UNORTHODOX WELL 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 29, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of November, 1980, 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, Jake L. Hamon, seeks approval of an unorthodox gas well location for his Amerada Federal Well No. 3 to be located 1650 feet from the South line and 660 feet from the East line of Section 17, Township 20 South, Range 36 East, NMPM, North Osudo-Morrow Gas Pool, Lea County, New Mexico.
- (3) That the applicant further seeks to simultaneously dedicate a 640-acre proration unit comprising all of said Section 17 to the above-described well and to its Amerada Federal Wells Nos. 1 and 2, located in Units N and F, respectively, of said Section 17.
- (4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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(5) That no offset operator objected to the proposed unorthodox location and simultaneous dedication.

(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:

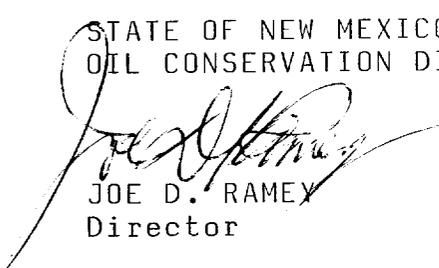
(1) That Jake L. Hamon is hereby authorized to drill his Amerada Federal Well No. 3 at an unorthodox location 1650 feet from the South line and 660 feet from the East line of Section 17, Township 20 South, Range 36 East, NMPM, North Osudo-Morrow Gas Pool, Lea County, New Mexico.

(2) That a 640-acre proration unit comprising all of said Section 17 shall be simultaneously dedicated to the above-described well and to applicant's Amerada Federal Wells Nos. 1 and 2, located in Units N and F, respectively, of said Section 17.

(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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