

Entered February 19, 1981
JCR

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. 7130
Order No. R-6581

APPLICATION OF READ & STEVENS,
INC. FOR AN UNORTHODOX GAS WELL
LOCATION AND TWO NON-STANDARD
GAS PRORATION UNITS, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 14, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of February, 1981, 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, Read & Stevens, Inc., seeks approval of two 160-acre non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the SE/4 of Section 12, Township 15 South, Range 27 East, NMPM, to be dedicated to its Trobough "A" State Com. Well No. 1 in Unit J, and the other being the NE/4 of said Section 12 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the North line and 1315 feet from the East line of the section.

(3) That both of said non-standard proration units may reasonably be presumed productive of gas from the Buffalo Valley-Pennsylvanian Gas Pool and that the entire non-standard gas proration units can be efficiently and economically drained and developed by the respective aforesaid wells.

-2-

Case No. 7130
Order No. R-6581

(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 Buffalo Valley-Pennsylvanian 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.

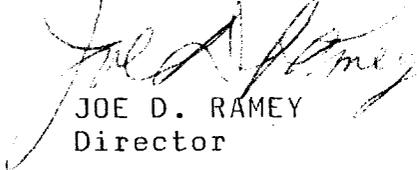
IT IS THEREFORE ORDERED:

(1) That Read & Stevens, Inc. is hereby granted two 160-acre non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first comprising the SE/4 of Section 12, Township 15 South, Range 27 East, NMPM, Chaves County, New Mexico, and the second being the NE/4 of said Section 12, said units to be dedicated to the Trobough "A" State Com. Well No. 1 in Unit J and a well to be drilled at an unorthodox location, hereby approved, 1315 feet from the North line and 1315 feet from the East line of said Section 12, respectively.

(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/