

Entered April 7, 1981
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. 7183
Order No. R-6640

APPLICATION OF FLAG-REDFERN OIL
COMPANY FOR 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 March 25, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of April, 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, Flag-Redfern Oil Company, seeks approval of the unorthodox gas well location of its Osudo State Com Well No. 2 to be drilled 990 feet from the North line and 990 feet from the East line of Section 18, Township 20 South, Range 36 East, NMPM, to test the Morrow formation, North Osudo-Morrow Gas Pool, Lea County, New Mexico.

(3) That all of said Section 18 is to be simultaneously dedicated to said well and to applicant's Osudo State Com Well No. 1 located in Unit J of said Section 18.

(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.

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(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:

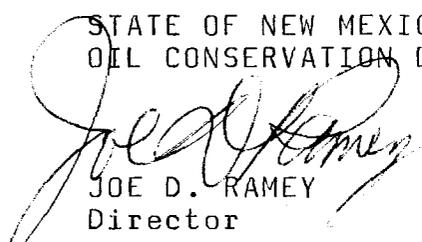
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Flag-Redfern Oil Company Osudo State Com Well No. 2 to be located at a point 990 feet from the North line and 990 feet from the East line of Section 18, Township 20 South, Range 36 East, NMPM, North Osudo-Morrow Gas Pool, Lea County, New Mexico.

(2) That all of said Section 18 shall be dedicated to the above-described well and to applicant's Osudo State Com Well No. 1 located in Unit J of said Section 18.

(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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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