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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. 7681  
Order No. R-7126

APPLICATION OF CIBOLA ENERGY  
CORPORATION FOR AN UNORTHODOX GAS  
WELL LOCATION, CHAVES COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 27, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 8th day of November, 1982, 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, Cibola Energy Corporation, seeks approval of an unorthodox gas well location 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South, Range 27 East, NMPM, for any formation, down to and including the Ordovician, Chaves County, New Mexico.

(3) That the NE/4 of said Section 13 is to be dedicated to the well above the Wolfcamp formation while the E/2 is to be dedicated in the Wolfcamp and deeper formations.

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

(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 formations, 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.

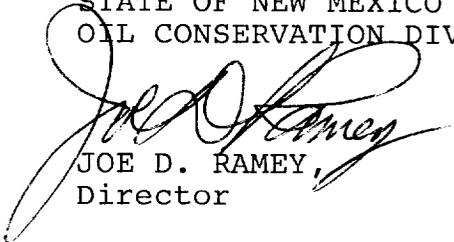
IT IS THEREFORE ORDERED:

(1) That the application of Cibola Energy Corporation for an unorthodox gas well location for any formation down to and including the Ordovician is hereby approved for a well to be located at a point 330 feet from the North line and 990 feet from the East line of Section 13, Township 9 South, Range 27 East, NMPM, Chaves County, New Mexico.

(2) That the NE/4 of said Section 13 shall be dedicated to the above-described well above the Wolfcamp formation while the E/2 of said section shall be dedicated in the Wolfcamp and deeper formations.

(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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