

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. 7978
Order No. R-7381

APPLICATION OF CHAMA PETROLEUM
COMPANY FOR COMPULSORY POOLING
AND AN UNORTHODOX LOCATION, EDDY
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, Chama Petroleum Company, seeks an order pooling all mineral interests in all formations from the surface to the base of the Mississippian formation underlying the S/2 of Section 23, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant has the right to re-enter and proposes to re-enter its Parino Well No. 1 located 1980 feet from the South line and 660 feet from the East line of said Section 23.
- (4) That said location is an unorthodox gas well location for all gas zones underlying the Wolfcamp formation.
- (5) That at the time of the hearing all parties in the proposed proration unit had reached agreement and that portion of the application relating to compulsory pooling should therefore be dismissed.

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(6) That the S/2 of said Section 23 is to be dedicated to the well.

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

(8) That no offset operator objected to the proposed unorthodox location.

(9) 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 any gas zone between the base of the Wolfcamp formation and the base of the Mississippian formation is hereby approved for applicant's re-entered Parino Well No. 1 located 1980 feet from the South line and 660 feet from the East line of Section 23, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.

(2) That the S/2 of said Section 23 shall be dedicated to the above-described well.

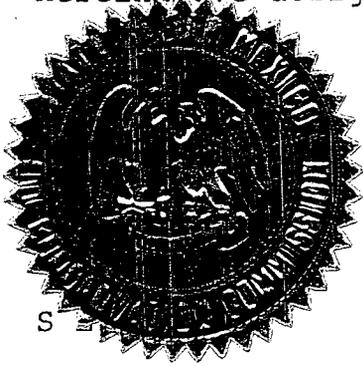
(3) That that part of this case seeking the compulsory pooling of all mineral interests in all formations from the surface to the base of the Mississippian formation underlying the S/2 of said Section 23 is hereby dismissed.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.



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A handwritten signature in cursive script, appearing to read "Joe D. Ramey".

JOE D. RAMEY
Director