

Entered December 6, 1973

C.F.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5121
Order No. R-4689

APPLICATION OF TEXACO INC. FOR A
NON-STANDARD GAS PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 28, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of December, 1973, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Texaco Inc., seeks approval of a 160-acre non-standard gas proration unit comprising the SE/4 of Section 25, Township 20 South, Range 32 East, NMPM, to be dedicated to its Audie Richards Well No. 1 located in Unit P of said Section 25.
- (3) That the SE/4 of Section 25 was dedicated to the Audie Richards Well No. 1 located in Unit P of said Section 25 upon its completion in accordance with the provisions of statewide Rule 104.
- (4) That Oil Conservation Commission Order No. R-4600 issued on July 23, 1973, changed the spacing from 160 to 320 acres in the South Salt Lake-Morrow Gas Pool which includes the subject well.
- (5) That the applicant has heretofore failed to request administrative approval of a 160 acre non-standard unit under the provisions of Order No. R-4600.
- (6) That the subject well is a participating well in the Little Eddy Unit and formation of a standard unit for said well at this time would require communitization of unitized and non-unitized acreage.
- (7) That the applicant cannot gain the required approval of the Commissioner of Public Lands nor the United States Geological Survey for a standard unit due to the equities involved in said unit and the late stage of depletion of the well.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13646 Exhibit No. 1
Submitted by:
CHESAPEAKE OPERATING, INC.
Hearing Date: February 16, 2006

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CASE NO. 5121
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(8) That if the subject well were to be recompleted into any other deep productive gas zone, communitization could take place.

(9) That the owners of other interests in Section 25, Township 20 South, Range 32 East do not object to the proposed non-standard unit provided that a standard communitized unit be formed at such time as the well is recompleted into another deep gas zone.

(10) That the application for the Non-Standard Gas Proration Unit should be approved provided that such approval should terminate upon recompletion of the well in any other gas zone of Pennsylvanian age or older.

(11) That the entire non-standard proration unit may reasonably be presumed productive of gas from the South Salt Lake-Morrow Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(12) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the South Salt Lake-Morrow Gas Pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That a 160-acre non-standard gas proration unit in the South Salt Lake-Morrow Gas Pool comprising the SE/4 of Section 25, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to its Audie Richards Well No. 1 located in Unit P of said Section 25.

PROVIDED HOWEVER, that Commission approval of the non-standard gas proration unit shall terminate upon recompletion of the well in any other gas zone of Pennsylvanian age or older.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMSTRONG, Member

A. L. PORTER, JR., Secretary & Member

S E A L

jr/