



# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

GOVERNOR  
BRUCE KING  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

July 20, 1971

Re: Case No. 4562

Order No. R-4172

Applicant:

Texas Oil and Gas Corporation

Mr. A. J. Losee  
Losee & Carson  
Attorneys at Law  
Post Office Drawer 239  
Artesia, New Mexico 88210

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.

Secretary-Director *sp*

ALP/ir

Copy of order also sent to:

Hobbs OCC           x          

Artesia OCC           x          

Aztec OCC                           

Other Mr. Owen Lopez, Mr. Jack M. McAdams, Clarence Hinkle,  
Jason Kellahin

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. 4562  
Order No. R-4172

APPLICATION OF TEXAS OIL AND  
GAS CORPORATION, FOR AN UN-  
ORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 30, 1971,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 19th day of July, 1971, 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, Texas Oil and Gas Corporation,  
seeks an exception to the Special Rules and Regulations for the  
Indian Basin-Upper Pennsylvanian Gas Pool to drill a well at  
an unorthodox location 990 feet from the North line and 990  
feet from the West line of Section 22, Township 22 South,  
Range 23 East, NMPM, Eddy County, New Mexico.

(3) That a standard location for the subject well would  
require the well to be located no nearer than 1650 feet to the  
outer boundary of the section and no nearer than 330 feet to  
any governmental quarter-quarter section line.

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(4) That the evidence indicates that approximately 290 acres in the Southern and Eastern parts of said Section 22 is not productive of gas from the Upper Pennsylvanian formation.

(5) That the evidence indicates that approximately 350 acres in the northern and western parts of said Section 22 is probably productive of gas from the Upper Pennsylvanian formation.

(6) That there is evidence that a well at the proposed unorthodox location in said Section 22 would penetrate a thicker pay section and encounter it structurally higher than a well at an orthodox location.

(7) That the evidence indicates that a well at the proposed unorthodox location in said Section 22 should recover more gas than a well at an orthodox location.

(8) That to offset the advantage to be gained over some offset operators by the drilling of a well at the proposed non-standard location, the allowable for said well should be reduced.

(9) That approval of the proposed unorthodox location will afford the applicant the opportunity to produce his just and equitable share of the gas in the Indian Basin-Upper 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 otherwise prevent waste, provided the subject well receives no more than 55 percent of a standard allowable for the pool.

**IT IS THEREFORE ORDERED:**

(1) That the applicant, Texas Oil and Gas Corporation, is hereby authorized to drill a gas well at an unorthodox gas well location in the Indian Basin-Upper Pennsylvanian Gas Pool 990 feet from the North line and 990 feet from the East line of Section 22, Township 22 South, Range 23 East, NMPM, Eddy County, New Mexico;

**PROVIDED HOWEVER,** that an acreage factor for proration purposes of 0.55 shall be assigned to said well.

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(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



BRUCE KING, Chairman



ALEX J. ARMIJO, Member



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

S E A L

