

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

IN THE MATTER OF THE HEARING.
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

FEB 18 1981

O. C. D.

ARTESIA, OFFICE

CASE NO. 7131

Order No. R-6582

APPLICATION OF READ & STEVENS, INC.
FOR AN UNORTHODOX GAS WELL LOCATION
AND TWO NON-STANDARD GAS PRORATION
UNITS, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 14, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of February, 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, Read & Stevens, Inc., seeks approval of two 160-acre non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first being the SE/4 of Section 1, Township 15 South, Range 27 East, NMPM, to be dedicated to its Trobough Com. Well No. 1 in Unit J, and the other being the NE/4 of said Section 1 to be dedicated to a well to be drilled at an unorthodox location 1315 feet from the North line and 1315 feet from the East line of the section.
- (3) That both of said non-standard proration units may reasonably be presumed productive of gas from the Buffalo Valley-Pennsylvanian Gas Pool and that the entire non-standard gas proration units can be efficiently and economically drained and developed by the respective aforesaid wells.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Buffalo Valley-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 will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Read & Stevens, Inc. is hereby granted two 160-acre non-standard gas proration units in the Buffalo Valley-Pennsylvanian Gas Pool, the first comprising the SE/4 of Section 1, Township 15 South, Range 27 East, NMPM, Chaves County, New Mexico, and the second being the NE/4 of said Section 1, said units to be dedicated to the Triborough Com. Well No. 1 in Unit J and a well to be drilled at an unorthodox location, hereby approved, 1315 feet from the North line and 1315 feet from the East line of the section, respectively.

(2) 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

S E A L

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