

(4) A standard 40-acre oil proration unit comprising the NE/4 SW/4 (Unit K) of said Section 34 is currently dedicated to the applicant's Carper Levers Well No. 4 located 1650 feet from the South Line and 2310 feet from the West line (Unit K) of said Section 34.

(5) Said unit is not being effectively and efficiently drained by the existing well on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of an additional 56,880 MCF of gas from the proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the Lara Michelle Well No. 2 as described above, as an infill well on the existing 40-acre oil proration unit comprising the NE/4 SW/4 (Unit K) of Section 34, Township 17 South, Range 28 East, NMPM, Artesia Queen Grayburg San Andres Pool, Eddy County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Michael E. Stogner,  
Examiner

N.M.O.C.D. - Artesia