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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. 4869
Order No. R-4454

APPLICATION OF CLAUDE C. KENNEDY
FOR THE AMENDMENT OF ORDER NO.
R-4263, MCKINLEY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of January, 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, Claude C. Kennedy, is the owner-operator of the BSK Edna Well No. 1, located in Unit F of Section 8, Township 17 North, Range 8 West, NMPM, Lone Pine-Dakota "D" Pool, McKinley County, New Mexico.

(3) That applicant's BSK Edna Well is offset by the Tenneco Oil Company Lone Pine Dakota "D" Pressure Maintenance Project.

(4) That Commission Order No. R-4263 permitted the transfer of allowables between wells in said pressure maintenance project.

(5) That the applicant seeks an amendment of said Commission Order to prohibit the transfer of allowable to any well located closer than 1320 feet to the outer boundary of the Lone Pine Dakota "D" Unit.

(6) That the applicant failed to establish that the transfer of allowables to wells within 1320 feet of the outer boundary of the Unit and the assignment of up to two top unit allowables for the Lone Pine Dakota "D" Pool to project wells offsetting non-unitized wells will cause waste or violate correlative rights.

(7) That the assignment of not more than two top unit allowables for the Lone Pine-Dakota "D" Pool to any project proration unit offsetting non-unitized acreage will not cause waste or violate correlative rights.

(8) That assignment and production of more than two top unit allowables for the Lone Pine-Dakota "D" Pool from any standard project proration unit offsetting non-unitized wells producing from the same pool should be prohibited unless after notice and hearing it is established that such limitation is causing waste or violating correlative rights.

(9) That the application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(2) That the limitation of production of no more than two times the top unit allowable, for the Lone Pine-Dakota "D" Pool, by any standard proration unit in the Tenneco Lone Pine Dakota "D" Pressure Maintenance Project offsetting non-unitized wells producing from the same pool, is hereby continued.

(3) 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

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