

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. 5783
Order No. R-5302

APPLICATION OF PALMER OIL AND GAS
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION AND A NON-STANDARD PRORATION
UNIT, RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 13,
1976, at Santa Fe, New Mexico, before Examiner Richard L.
Stamets.

NOW, on this 27th day of October, 1976, 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, Palmer Oil and Gas Company, seeks
approval for a 335.66-acre non-standard proration unit, com-
prising all of Sections 6 and 7, Township 26 North, Range 2
West, N10W, Blanco-Mesaverte Pool, Rio Arriba County, New
Mexico.

(3) That the applicant further seeks to dedicate said
non-standard proration unit to a well to be drilled at an
unorthodox location for said pool at a point 1850 feet from
the South line and 700 feet from the West line of said Section 7.

(4) That said Sections 6 and 7 are partial sections
resulting from variations in public land surveys.

(5) That the non-standard proration unit is necessary to
permit development of said partial Sections 6 and 7.

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(6) That the requested unorthodox location is necessary
both as a result of the variation in the land survey and to
avoid a non-commercial well drilled in the North half of said
Section 7.

(7) That approval of the subject application will afford
the applicant the opportunity to produce its just and equitable
share of the gas in the subject 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 the applicant, Palmer Oil and Gas Company, is
hereby granted approval of a 335.66-acre non-standard gas
proration unit consisting of all of partial Sections 6 and 7,
Township 26 North, Range 2 West, N10W, Blanco-Mesaverte Pool,
Rio Arriba County, New Mexico.

(2) That said non-standard gas proration unit shall be
dedicated to applicant's well to be drilled at an unorthodox
location 1850 feet from the South line and 700 feet from the
West line of said Section 7.

(3) That for allowable purposes said non-standard gas
proration unit shall be assigned an acreage factor of 1.05.

(4) 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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

WILLIAM C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

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