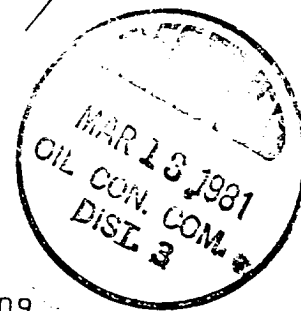


STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7172
Order No. R-6609



APPLICATION OF CAULKINS OIL
COMPANY FOR TWO UNORTHODOX GAS
WELL LOCATIONS, RIO ARRIBA COUNTY,
NEW MEXICO.

9-26-4 Breech A 132E
10-26-4 " " 682E

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 25, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of March, 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, Caulkins Oil Company, seeks approval for the unorthodox location of the following two wells on its Breech A Lease to be recompleted in the Chacra, Mesaverde, and Dakota formations: No. 157 located 1980 feet from the North line and 660 feet from the West line of Section 10 and No. 629 located 660 feet from the North line and 760 feet from the West line of Section 9, both in Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(3) That the W/2 of said Section 10 and the N/2 of said Section 9, respectively, are to be dedicated to the wells in the Mesaverde and Dakota formations, while the NW/4 of their respective sections will be dedicated in the Chacra formation.

(4) That said unorthodox locations result from the recompletion of the wells from a depleted reservoir into the aforesaid formations.

(5) That no offset operator objected to the proposed unorthodox locations.

(6) 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:

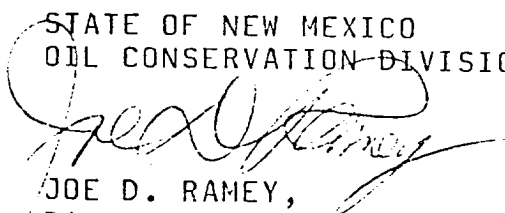
(1) That the unorthodox locations of the following two wells on Caulkins Oil Company's Breech A Lease to be recompleted in the Chacra, Mesaverde, and Dakota formations are hereby approved: No. 157 located 1980 feet from the North line and 660 feet from the West line of Section 10 and No. 629 located 660 feet from the North line and 760 feet from the West line of Section 9, both in Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(2) That the W/2 of said Section 10 and the N/2 of said Section 9, respective, shall be dedicated to the above-described wells in the Mesaverde and Dakota formations, while the NW/4 of their respective sections shall be dedicated in the Chacra formation.

(3) 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

dr/