

Case Number

6022

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
31 August 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Com-
pany for an unorthodox gas well
location, Rio Arriba County, New
Mexico.

CASE
6022

BEFORE: Daniel S. Nutter.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: W. Thomas Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I N D E X

VICTOR T. LYON

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1 MR. NUTTER: Call next Case Number 6022.

2 MS. TESCHENDORF: Case 6022. Application of Con-
3 tinental Oil Company for an unorthodox gas well location.
4 Rio Arriba County, New Mexico.

5 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox,
6 Santa Fe, New Mexico, appearing on behalf of the Applicant,
7 and I have one witness to be sworn.

8 (Witness sworn.)

9
10 VICTOR T. LYON

11 being called as a witness and being duly sworn upon his oath,
12 testified as follows, to-wit:

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name, by whom you're
17 employed, and in what capacity?

18 A I'm Victor T. Lyon, L-Y-O-N, employed by Conti-
19 nental Oil Company as Conservation Coordinator in the Hobbs
20 Division, located in Hobbs, New Mexico.

21 Q Mr. Lyon, have you previously testified before
22 the Commission and had your qualifications as an expert
23 witness accepted and made a matter of record?

24 A Yes, I have.

25 Q And have you made a study of, and are you familiar

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1 with the facts surrounding this particular application?

2 A. Yes, sir.

3 MR. KELLAHIN: If the Examiner please, are the
4 witness' qualifications acceptable?

5 MR. NUTTER: Yes, they are.

6 Q Mr. Lyon, would you refer to what we have marked
7 as Applicant Exhibit Number 1, identify it, and tell what
8 Continental is seeking in this application.

9 A. Case Number 6022 is the application of Continental
10 Oil Company for an unorthodox gas well location for its
11 Conoco 29-4 Well No. 8, to be drilled 2265 feet from the
12 south line and 1635 feet from the west line of Section 20,
13 Township 29 North, Range 4 West, in the Gobernador-Pictured
14 Cliffs Pool in Rio Arriba County, and Exhibit Number 1 is
15 a plat showing the area involved in this application.

16 The grey areas are those lease which Continental
17 Oil Company has retained after an assignment of acreage to
18 John Shaw. The acreage assigned to John Shaw is the mottled
19 area and it is also shown enclosed in a dashed line.

20 The Well No. 8 is shown circled at the location
21 2265 from the south line and 1635 from the west line of
22 Section 20.

23 Q What would be a standard location within that
24 unit?

25 A. A standard location would be in that particular

1 area, would be 16 -- well, 1650 from the south -- from the
2 south and west lines within 200 feet.

3 Q All right, sir. What's the reason for seeking the
4 unorthodox location?

5 A The reason is the fact that this is the location
6 which is acceptable to the Forest Service, plus the fact
7 that there is a very limited part of a lease which is ac-
8 cessible for the location of a drilling rig.

9 Q Would you please refer to what we've marked as
10 Exhibit Number 2 and identify it?

11 A Yes, Exhibit Number 2 is a copy of a letter from
12 the Forest Service, dated January 19th, 1977, after we had
13 applied to them for a permit on the lease. The letter has
14 attached to it a portion of the topographic map with a
15 cross-hatched area showing the areas which are satisfactory
16 to them for the location of a well. The rest of the quarter
17 section being virtually inaccessible.

18 That -- the location that is circled and pointed
19 to with an arrow is the suggested location.

20 Q Would you please refer to Exhibit Number 3 and
21 identify it?

22 A Exhibit Number 3 is another letter from the Forest
23 Service dated February 2nd, 1977. There were some questions
24 that were asked in the -- in the first letter, Exhibit
25 Number 2, and those questions were answered to the best of

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our ability at that time and this indicates that there has begun to be some agreement as to where the well should be located, and also some -- some other requirements.

There is additional correspondence involved in the well, which I will not burden the record with, but suffice it to say that the USGS, the Forest Service, has approved the proposed location subject to approval by this Commission.

Q Mr. Lyon, in your opinion will the proposed location be an acceptable location from which you can economically and efficiently drain the proposed unit?

A. Yes.

Q In your opinion, Mr. Lyon, will the approval of the application be in the best interests of conservation, the prevention of waste, and the protection of correlative rights?

A. Yes.

MR. KELLAHIN: We move the introduction of Exhibits 1 through 3.

MR. NUTTER: Conoco's Exhibits 1 through 3 will be admitted in evidence.

CROSS EXAMINATION

BY MR. NUTTER:

Q I notice in one of these letters, Mr. Lyon, they

1 refer to the 29-4 Well No. 7. Where is that well? Is that
2 the well that's in the northwest quarter of this Section 20?

3 A. Yes, sir, it is.

4 Q. So their big concern seems to be the building of
5 a road to this well; one of their big concerns. What will
6 you do, build a road from No. 7 down to the No. 8?

7 A. I'm sure that's true. I don't have that service
8 use plan, but as you're probably aware, the federal agencies
9 are rather sticky about where you build your roads and how
10 you build your location and this sort of thing, and I sup-
11 pose the stickiest agency in the whole federal bureaucracy
12 is the Forest Service.

13 Q. Well, have they approved the location that you're
14 proving -- that you're proposing here today?

15 A. Yes. Yes, they have agreed --

16 Q. They have approved it?

17 A. Yes, the USGS have given us a permit to locate --
18 to drill the well there and they will not give such -- such
19 a permit until the Forest Service has approved.

20 Q. Well, I couldn't really tell from these letters
21 that they had approved it.

22 A. Yes, sir.

23 Q. So that the location is definitely 2265 from the
24 south and 1635 from the west of Section 20?

25 A. Yes, the -- the Aztec Office has received the

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1 permit but Mr. Kendrick -- I have a copy of his letter if
 2 you'd like to have it. He just said that the location is --
 3 is non-standard and that it must approved before they will
 4 give an allowable.

5 Q And this is Pictured Cliffs, so the southwest
 6 quarter of Section 20 would be dedicated to the well.

7 A Yes, sir.

8 Q And I presume the northwest quarter is dedicated
 9 to No. 7?

10 A Correct.

11 MR. NUTTER: Are there any further questions for
 12 Mr. Lyon? He may be excused.

13 Do you have anything further, Mr. Kellahin?

14 MR. KELLAHIN: No, sir.

15 MR. NUTTER: Does anyone have anything they wish
 16 to offer in Case Number 6022?

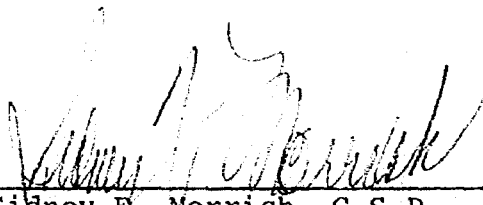
17 We'll take the case under advisement.

18 (Hearing concluded.)

19
 20
 21
 22
 23
 24
 25

REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill
and ability.


Sidney F. Morrish, C.S.R.

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. **6022**
heard by me on **8/31**, 19**77**.

 Examined
New Mexico Oil Conservation Commission

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. 6022
Order No. R-5528

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION, RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 31, 1977,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of September, 1977, 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, Continental Oil Company, seeks
approval of an unorthodox gas well location for its Conoco
29-4 Well No. 8 to be drilled at a point 2265 feet from the
South line and 1635 feet from the West line of Section 20,
Township 29 North, Range 4 West, NMPM, Gobernador-Pictured
Cliffs Pool, Rio Arriba County, New Mexico.

(3) That the SW/4 of said Section 20 is to be dedicated
to the well.

(4) That the need for said unorthodox location is
occasioned by rugged mountains and heavy forestation at the
orthodox locations in the SW/4 of said Section 20.

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

-2-

Case No. 6022
Order No. R-5528

(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:

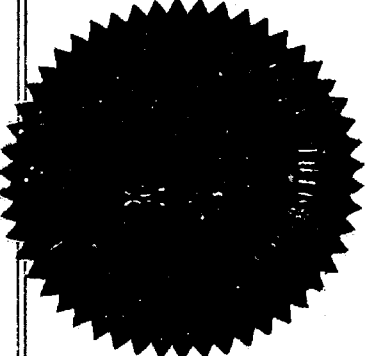
(1) That an unorthodox gas well location for the Pictured Cliffs formation is hereby approved for the Continental Oil Company Conoco 29-4 Well No. 8 to be drilled at a point 2265 feet from the South line and 1635 feet from the West line of Section 20, Township 29 North, Range 4 West, NMPM, Gobernador-Pictured Cliffs Pool, Rio Arriba County, New Mexico.

(2) That the SW/4 of said Section 20 shall be dedicated to the above-described well.

(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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



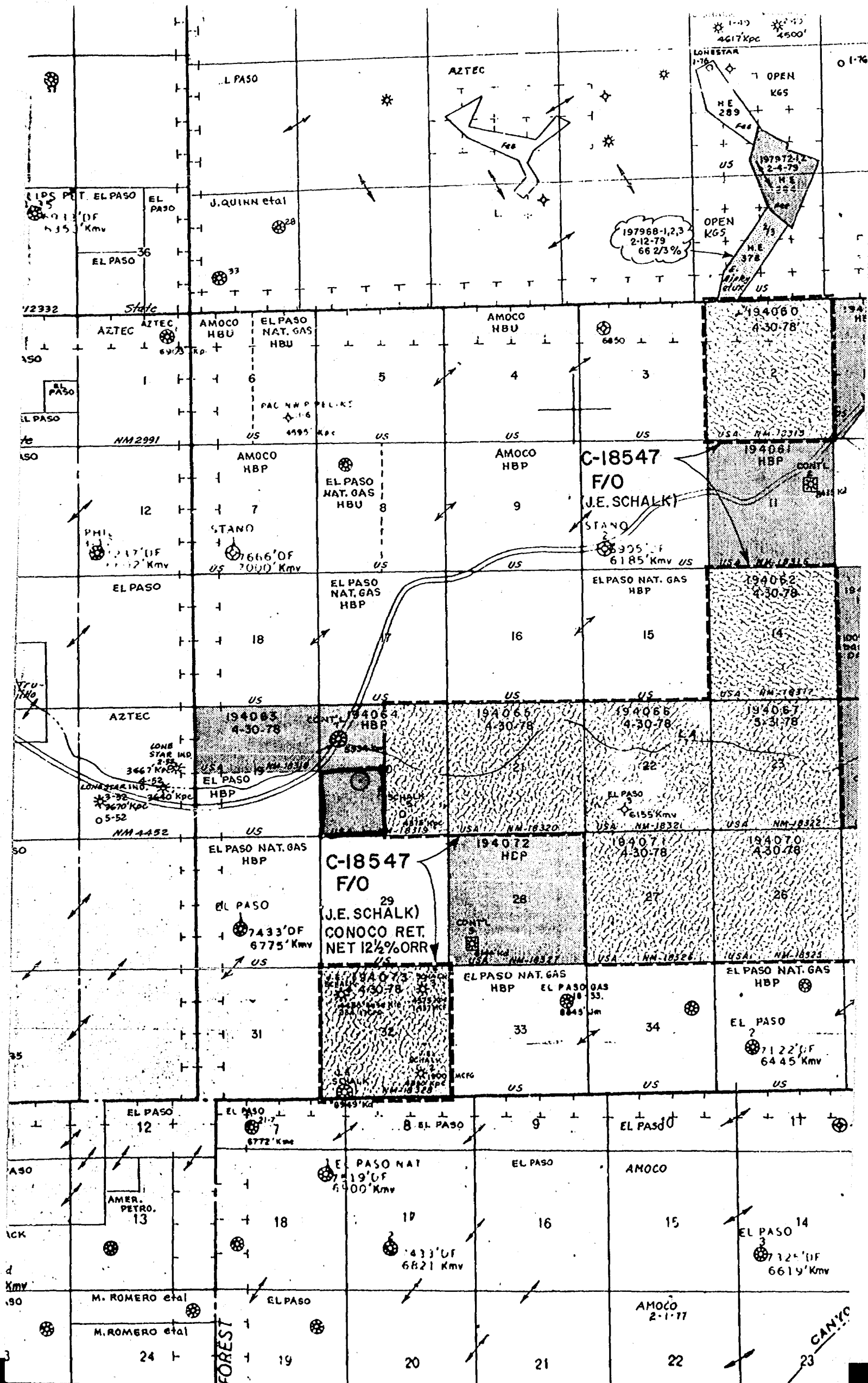
Phil R. Lucero
PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E A L

dr/



VTL

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE

Jicarilla Ranger District
Gobernador Route
Blanco, New Mexico 87412

2820
January 19, 1977

Mr. L.P. Thompson, Division Manager
Production Department, Hobbs Division
Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240



Dear Mr. Thompson:

We have received a copy of your letter to Mr. Jerry Long of the U.S. Geological Survey dated January 13, 1977, and we have a few questions that need to be answered prior to staking of the proposed well location (Conoco 29-4 #8).

We will need a map with the proposed location plotted on it; the map you sent with the letter was for Section 20 on the Jicarilla Apache Indian Reservation.

We will also need to know which lease you plan to drill on. The letter we received from your office says Section 20, T29N, R4W, with lease number NM 18328 beside it. Lease number 18328 is in Section 32, T29N, R4W. The lease for Section 20, T29N, R4W, is lease number 18319.

In addition, if you intend to drill in Section 20, T29N, R4W, it is possible that this proposed well location will fall within the Travel Influence Zone for U.S. Highway 64. If this is the case, we will have to get approval from the Forest Supervisor in Taos for the location, drilling, and completion of this well. I should also mention that the only locations in SW $\frac{1}{4}$ Section 20, T29N, R4W for which we would approve any drilling are those areas which are denoted by diagonal lines on the enclosed map. The reason for this is that the remainder of the area within this quarter-section is practically inaccessible.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Conoco EXHIBIT NO. 2
CASE NO. 6022

2

2820-L.P. Thompson-1/19/77

If you will please plot the location of Conoco 29-4 #8 on the enclosed map, return it to us, and let us know which lease you plan to drill on, we will be able to process the application in a timely manner.

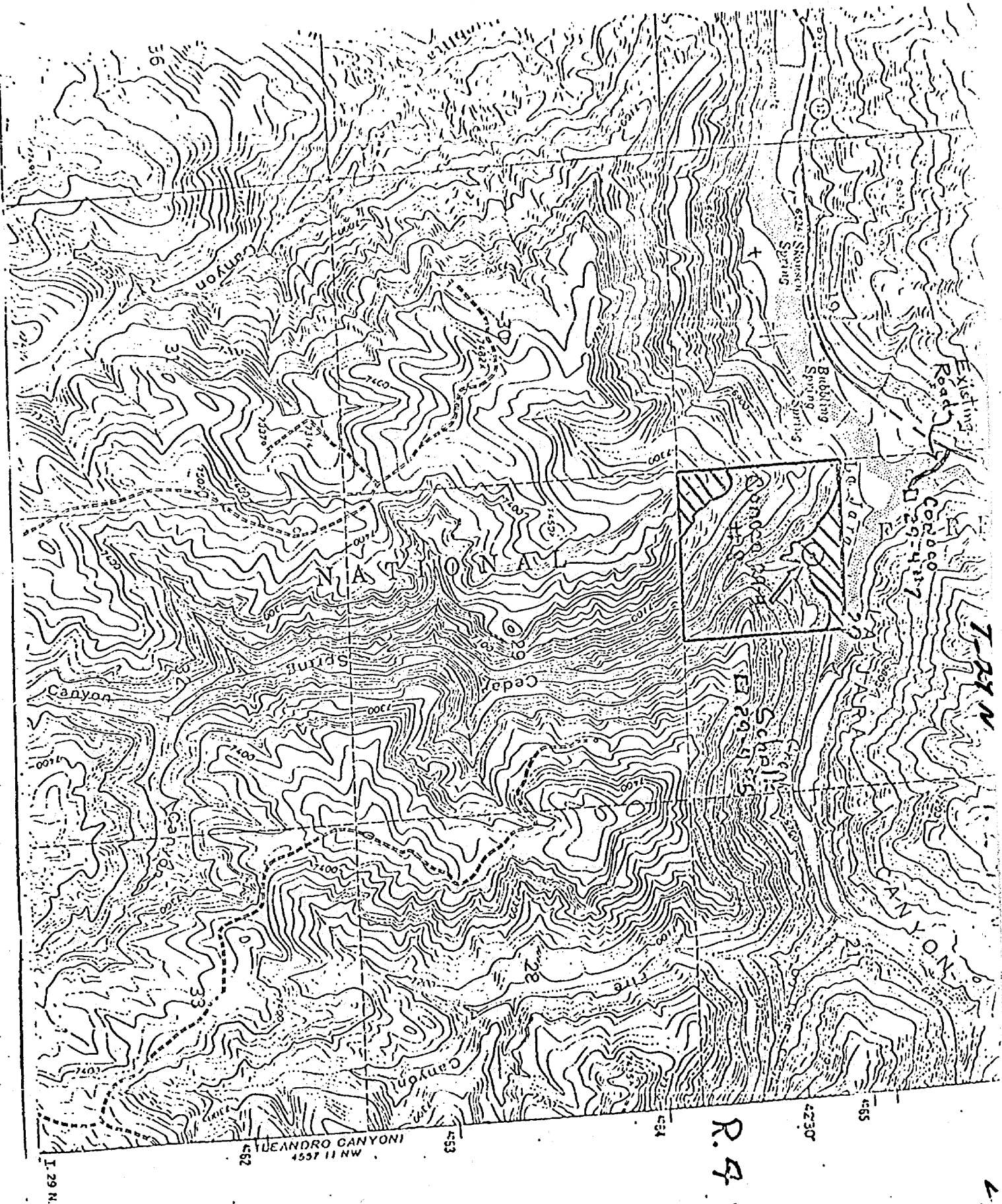
Thank you for your continued cooperation.

Sincerely,

for *Charles W. Loring*
WIN GREEN
District Forest Ranger

Enclosure

cc: Jerry Long, U.S.G.S.



UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE

Jicarilla Ranger District
Gobernador Route
Blanco, New Mexico 87412

2820
February 2, 1977

✓
L I.P. Thompson, Division Manager
Production Department, Hobbs Division
Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240



Dear Mr. Thompson:

We have received your letter dated January 26, 1977 concerning staking of the proposed well location of Conoco 29-4 #8 on lease number 18319. The proposed location of this well, as plotted on the map which you enclosed with your letter, will be acceptable to us. However, there is a possibility that this well and the access road to it will be located in our Travel Influence Zone along U.S. Highway 64. If that is the case, the well location will require approval by our Forest Supervisor in Taos, and there will probably be some restrictions as to location and construction of the access road.

You should go ahead and proceed with the staking of the locations for both the well and the access road to it. Please let us know when you plan to do this. When the staking has been completed, we shall be able to determine whether or not the well and road will fall within the Travel Influence Zone. If they do we shall proceed with the necessary steps to obtain the Forest Supervisor's approval. This approval must be given prior to construction of the road and drilling of the well. In some cases, it takes several weeks for approval by the Forest Supervisor, so you should give us plenty of advance notice prior to the time you wish to begin drilling operations. I should also remind you of the necessity of obtaining archaeological clearance prior to drilling and construction activities.

Enclosed is a special use permit application which should be completed when the well and access road locations are staked, or immediately afterwards. This application may be used for both the well location and the access road. You should complete Part I - Application. After you have done this we shall complete Part II - Report on Application.

BEFORE EXAMINER NUTTER
OIL CONSTRUCTION COMMISSION
Conoco EXHIBIT NO. 3
CASE NO. 6022

2

2820-L.P. Thompson-2/2/77

Also enclosed is a copy of the map which you sent us. We have plotted the existing road to Conoco 29-4 #7 on it. Will you please plot the proposed access road to Conoco 29-4 #8 on this map and return the map to us so that we will have an idea of where you plan to locate the access road. In addition, will you please let us know the approximate date on which you desire to begin drilling operations on this well.

Thank you for your continued cooperation.

Sincerely,

Win Green

WIN GREEN
District Forest Ranger

Enclosures

cc: Jerry Long, U.S.G.S.

Dockets Nos. 24-77 and 25-77 are tentatively set for hearing on September 14 and 28, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

HEARING: PETROLEUM BOARD - NORMAN - SEPTEMBER 31, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel G. Butler, Examiner, or Richard L. Stenets, Alternate Examiner:

CASE 6016: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Lead Oil Company, American Explorers' Insurance Company, and all other interested parties to appear and show cause why the Garner Well No. 1 located in Unit D of Section 23, Township 14 South, Range 26 East, Chavez County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6017: Application of E. L. Mathew, Jr. and Roy G. Parton, Jr., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 NW/4 of Section 30, Township 9 South, Range 33 East, Flying H-San Andres Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6018: Application of Walter Duman for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open-hole interval from 697 feet to 706 feet in his North Hogback 1 Well No. 24 located in Unit G of Section 1, Township 29 North, Range 17 West, and from 691 feet to 702 in his North Hogback 6 Well No. 3 in Unit L of Section 6, Township 29 North, Range 16 West, Slickrock-Dakota Pool, San Juan County, New Mexico.

CASE 6019: Application of Gulf Oil Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Littlefield "H" Federal Com. Well No. 1 located in Unit J of Section 20, Township 18 South, Range 31 East, Eddy County, New Mexico, to produce gas from undesignated Aioke and Morrow gas pools.

CASE 6020: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Elevins "I-K" Well No. 1 to be drilled 660 feet from the North and West lines of Section 35, Township 17 South, Range 26 East, Eddy County, New Mexico, to test the Morrow formation, the N/2 of said Section 35 to be dedicated to the well.

CASE 6021: Application of Yates Petroleum Corporation for salt water disposal, Chavez County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the interval from 962 feet to 1240 feet in its Federal "H" Well No. 1 located in Unit A of Section 31, Township 6 South, Range 26 East, Linda-San Andres Pool, Chavez County, New Mexico.

CASE 6022: Application of Centirental Oil Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Conoco 29-4 Well No. 8 to be drilled 2265 feet from the South line and 1635 feet from the West line of Section 20, Township 29 North, Range 4 West, Gobernador-Pictured Cliffs Pool, Rio Arriba County, New Mexico, the SW/4 of said Section to be dedicated to the well.

CASE 6023: Application of Inxco Oil Company for downhole commingling and a tubing exception, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority for the downhole commingling of Upper Penn and Strawn production in the wellbore of its Federal 10 State Com Well No. 1 located in Unit L of Section 10, Township 21 South, Range 26 East, Avalon Gas Field, Eddy County, New Mexico. Applicant further seeks an exception to Commission Rule 107(d) to permit setting tubing 370 feet above the uppermost perforation in said well.

CASE 5957: (Continued from July 6, 1977, Examiner Hearing)

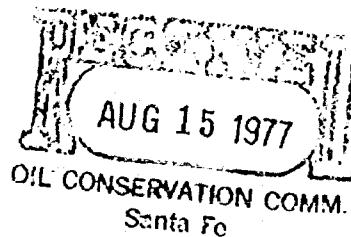
Application of Helco Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 8 and in the other Pennsylvanian formations underlying the E/2 of said Section 8, Township 24 South, Range 35 East, Santa Rosa-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CONOCO

L. P. Thompson
Division Manager
Production Department
Hobbs Division

Continental Oil Company
P.O. Box 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

August 12, 1977



New Mexico Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. J. D. Ramey, Secretary-Director

Gentlemen:

Application for NSL - Conoco 29-4 Well No. 8

Confirming telephone conversation between our Mr. V. T. Lyon and your Mr. D. S. Nutter, we forward herewith application in triplicate for the subject matter.

Please set this application for hearing on the August 31, 1977 examiner docket.

Yours very truly,

E. L. Dehlo
for
L. P. Thompson

VTL/jj

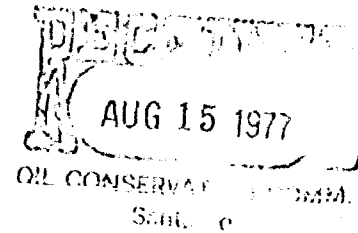
Enc

CC:

C. F. Ellis - Houston
F. O. Hull - Houston
J. W. Kellahin - Santa Fe
B. E. Anderson - Hobbs

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
OF NON-STANDARD LOCATION FOR ITS
CONOCO 29-4 WELL NO. 8 TO BE LOCATED
2265' FSL AND 1635' FWL OF SECTION 20,
T-29-N, R-4-W, RIO ARriba COUNTY, NEW
MEXICO, IN THE GOBERNADOR PICTURED
CLIFFS GAS POOL.



APPLICATION

Applicant, CONTINENTAL OIL COMPANY, hereby respectfully requests approval of a non-standard location for its Conoco 29-4 Well No. 8, to be located 2265' FSL and 1635' FWL of Section 20, T-29-N, R-4-W, Rio Arriba County, New Mexico, in the Gobernador Pictured Cliffs Gas Pool, and in support thereof would show:

1. Applicant is the owner of the Conoco 29-4 lease consisting of the W/2 Section 20, T-29-N, R-4-W, Rio Arriba County, New Mexico.
2. Applicant desires to drill a well in the SW/4 of said Section 20 to the Gobernador Pictured Cliffs Gas Pool.
3. Due to topographic conditions and requirements of the U.S. Forestry Service, it is impractical to drill a well at a standard location.
4. That the proposed location is the nearest practical location to a standard location on the proposed proration unit, SW/4 Section 20.
5. That the granting of this application will prevent waste and will not impair correlative rights.

WHEREFORE, applicant respectfully requests that this matter be set for hearing before the Commission's duly appointed Examiner and upon hearing an order be entered approving the non-standard location described above.

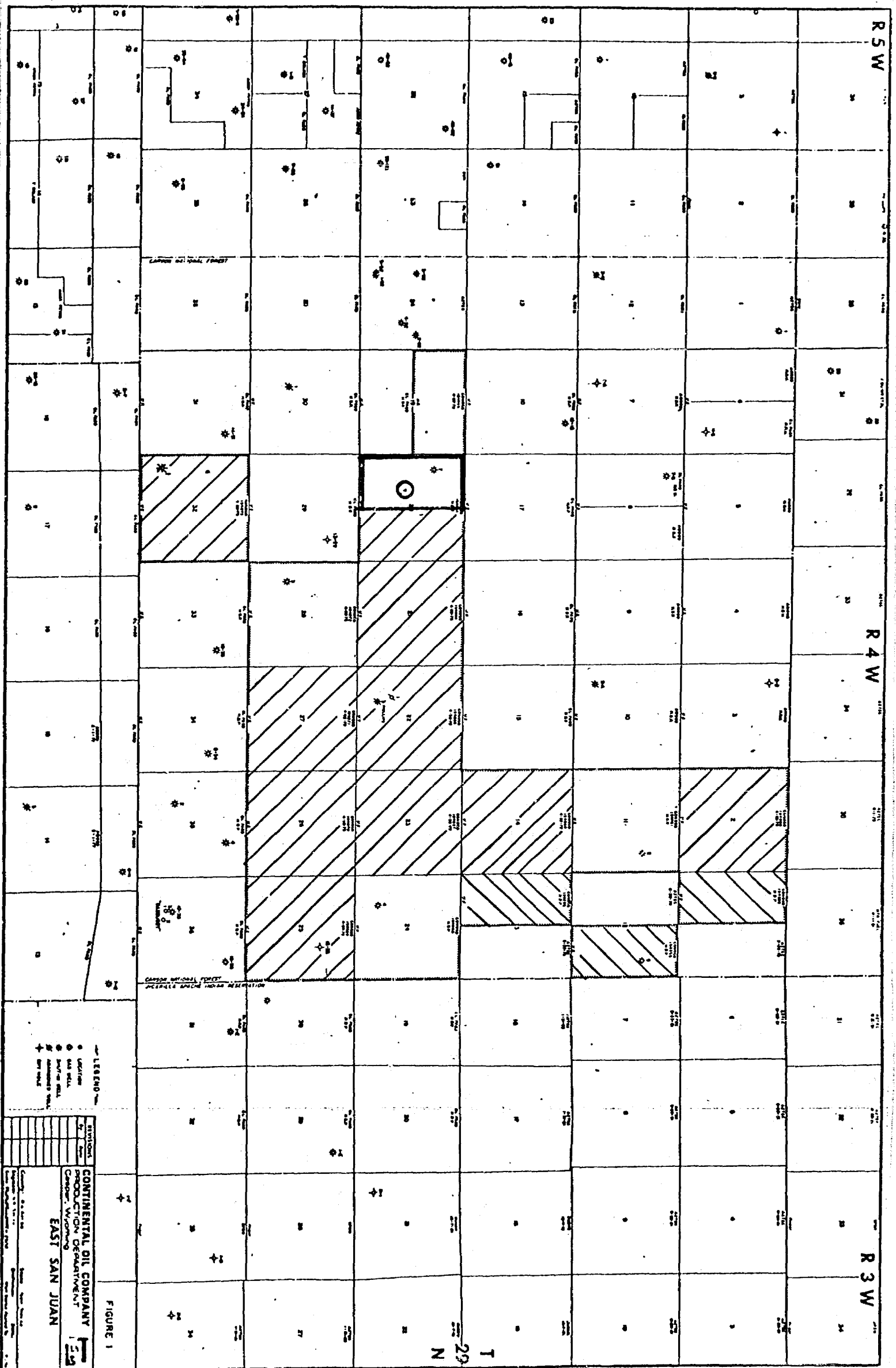
Respectfully submitted,

CONTINENTAL OIL COMPANY

BY

E. L. Oshlo

E. L. Oshlo, Assistant Division Manager
of Production



Continental Oil Company

~~was~~ Std Loc unorthodox ^{gas well} location

Conoco 29-4 well no 8

Gobernador-Pictured Cliffs Pool

2265' FSL

1635' FWL

20-29N-4W

Rio Arriba

SW/4 Dedicated

called in by Vic Ryan 8-8-77

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

dr/

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO 6022

Order No. R- 5528

APPLICATION OF CONTINENTAL OIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 31, 19 77,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of September, 1977, 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, Continental Oil Company, seeks
for its Conoco 29-4 Well No. 8 to be drilled at a point
approval of an unorthodox gas well location/ 2265 feet from the South
line and 1635 feet from the West line of Section 20, Township
29 North, Range 4 West, NMPM, to test the
formation, Gobernador-Pictured Cliffs Pool,
Rio Arriba County, New Mexico.

(3) That the SW/4 of said Section 20 is to be dedicated to the

~~(4) That the need for said unorthodox location is occasioned~~
~~(4) That a well at said unorthodox location will better enable~~
~~applicant to produce the gas underlying the production unit.~~
~~locations in the SW/4 of said Section 20.~~
by rugged mountains and heavy forestation at the orthodox

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

-2-

Case No. _____

Order No. R- _____

(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 an unorthodox gas well location for the Pictured Cliffs ~~the Continental Oil Company~~ Conoco 29-4 Well No. 8 to be drilled formation is hereby approved for ~~a well to be located~~ at a point 2265 feet from the South line and 1635 feet from the West line of Section 20, Township 29 North, Range 4 West NMPM, Gobernador-Pictured Cliffs Pool, Rio Arriba County, New Mexico.

(2) That the SW/4 of said Section 20 shall be dedicated to the above-described well.

(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.

