

*Je* CASE 6230: TEXAS OIL & GAS CORP.  
FOR AN UNORTHODOX GAS WELL  
LOCATION, EDDY COUNTY, NEW MEXICO

CASE NO.

6230

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

JERRY APODACA  
GOVERNOR

NICK FRANKLIN  
SECRETARY

June 13, 1976

POST OFFICE BOX 2009  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Jerry Losee  
Losee & Carson  
Attorneys at Law  
Post Office Box 239  
Artesia, New Mexico 88210

Re: CASE NO. 6230  
ORDER NO. R-5740

Applicant:

Texas Oil & Gas Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC ☒  
Artesia OCC ☒  
Aztec OCC ☐

Other \_\_\_\_\_

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. 6230  
Order No. R-5740

APPLICATION OF TEXAS OIL & GAS CORPORATION  
FOR AN UNORTHODOX GAS WELL LOCATION, EDDY  
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 17, 1978,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of June, 1978, the Division Director,  
having considered the testimony, the record, and the recommenda-  
tions 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, Texas Oil & Gas Corporation, seeks  
approval of an unorthodox gas well location for its Duffield Fed.  
Com Well No. 1 to be drilled at a point 1980 feet from the South  
line and 660 feet from the West line of Section 28, Township 16  
South, Range 27 East, NMPM, to test the Wolfcamp and Pennsylvanian  
formations, Eddy County, New Mexico.

(3) That the S/2 of said Section 28 is to be dedicated to  
the well.

(4) That a well at said unorthodox location will better  
enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unortho-  
dox location.

(6) That approval of the subject application will afford the  
applicant the opportunity to produce its just and equitable share

-2-

Case No. 6230  
Order No. R-5740

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.

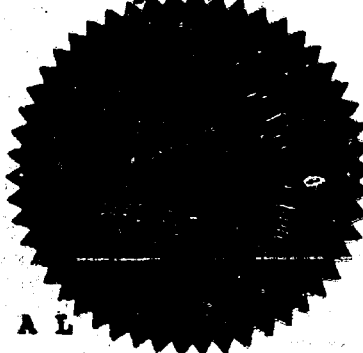
IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for Wolfcamp and Pennsylvanian formations is hereby approved for the Texas Oil & Gas Corporation Duffield Fed. Com Well No. 1 to be drilled at a point 1980 feet from the South line and 660 feet from the West line of Section 28, Township 16 South, Range 27 East, NMPM, Eddy County, New Mexico.

(2) That the S/2 of said Section 28 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 Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



S E A L

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Joe D. Ramey*  
JOE D. RAMEY  
Director

2d/

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

MAY 17, 1978

COMMISSION HEARING

-----)  
)  
IN THE MATTER OF: )  
)

Application of Texas Oil & Gas )  
Corporation for an unorthodox )  
gas well location, Eddy County, )  
New Mexico. )  
-----)

CASE 6230

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

FOR THE NEW MEXICO OIL CONSERVATION COMMISSION:

Joe Ramey, Chairman  
Emery Arnold, Commissioner  
Phil Lucero, Commissioner  
Richard L. Stamets, Staff Member  
  
Lynn Teschendorf, Esq., Legal Counsel

LANPHERE REPORTING SERVICE

P.O. BOX 446  
58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501

FOR TEXAS OIL AND GAS CORPORATION:

LOSEE, CARSON & DICKERSON

Attorneys at Law

American Home Building

Artesia, New Mexico 88210

BY: A. J. LOSEE, Esq.

**LANPHERE REPORTING SERVICE**

P. O. BOX 449  
58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501

MR. STAMETS: Call Case 6230.

MS. TESCHENDORF: Case 6230. Application of Texas Oil and Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico.

MR. LOSEE: A. J. Losee, appearing on behalf of the Applicant. I have one witness, Mr. Siruta, who was previously sworn.

Mr. Examiner, let me mention one thing about the prior unit agreement. There are two leases with an expiration date of June 18th. There's presently a drilling well on the unit, and it will be necessary to obtain final approval prior to June 18 both from the Commission and the Lands Commissioner.

MR. STAMETS: And in the current case, the record should show Mr. Siruta has previously been sworn in and qualified.

WILLIAM SIRUTA

the witness herein, having been previously duly sworn was examined and testified as follows:

DIRECT EXAMINATION

BY MR. LOSEE:

Q Mr. Siruta, would you state the purpose of this application in Case No. 6230?

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SANTA FE, NEW MEXICO 87501



A It is to obtain an unorthodox location for a well on Section 28.

Q What is the footage of that unorthodox location and the name of your well?

A It's 1980 feet from the south line and 660 feet from the west line. And the name of the well is Duffield State No. 1.

Q And you propose to dedicate the south half of Section 28 to the well?

A Yes, sir.

Q You've got a copy of Exhibit 1, which is the ownership map, refer to it.

MR. STAMETS: Did the witness say the lease name was State or Federal?

MR. LOSEE: I don't believe he did, but I think the name of the well is the Duffield Federal Com.

MR. STAMETS: So it is a federal.

MR. LOSEE: Yes.

Q (Mr. Losee) Please refer to what's been marked as Exhibit 1 and state what is portrayed generally by this exhibit.

A It is a land plat illustrating the ownership of the subject area.

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Q And the offset wells in the Morrow, if any?

A Yes.

Q And it does confirm our earlier statement that all of the south half of Section 28 is a federal lease?

A Yes.

Q Please turn to what has been marked Exhibit 2 entitled Structure Map on top of the Morrow Massive Shale and explain what is portrayed by this exhibit.

A This exhibit is a structure map on the top of Morrow massive shale and it illustrates the regional depth of the Morrow in this area. It's to the southeast.

It also illustrates the Morrow well located in the close proximity.

Q It also has the AA cross-section which will be your Exhibit 4?

A Yes, sir.

Q Does it reflect the cumulative production from the Continental Oil's Duffield well?

A Yes, sir.

Q Do you know approximately when the well was drilled and also when it was plugged?

A Yes, it was plugged in 1968, and I'm not sure on the date that it was drilled.

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Q Produced 4.4 Ref gas?

A Yes, sir.

Q Please turn to what's been marked as Exhibit 3 entitled your Isolith Map, Sandstone above the Massive Shale and explain what is shown on this exhibit.

A This map illustrates the pay sand in the area and is illustrated as being a channel deposit trending northeast-southwest.

Q Is the purpose of this map to show the necessity in your opinion from the geologic standpoint of this unorthodox location?

A Yes, sir.

Q And actually if it were an orthodox location, you would move to the east and out of the producing channel or the indicated channel of the Puffield?

A Yes, sir.

Q And this again shows your cross-section in the Western Oil Producers J Federal down to Coquina's Dean Federal?

A Yes, sir.

Q Please refer to Exhibit 4 being the cross-section of these three wells and explain briefly what is portrayed by the same.

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A The Cross-Section portrays the main pay in the area to the sand stone line directly above the Morrow Massive Shale, and it also shows that there's a definite thinning of the channel as you move eastward.

Q And does it reflect the drill stem test for these three wells?

A Yes, sir.

Q And the perforated interval which produced in the Continental Oil Company Duffield?

A Yes, sir.

Q And by moving your location to an unorthodox position, is it your intent to try to encounter this same sand that was present in the Duffield well?

A Yes, sir.

Q Do you have anything further with respect to this exhibit?

A No, sir.

Q Were Exhibits 1 through 4 prepared by you or under your supervision?

A Yes, sir.

Q Do you have an opinion as to whether or not the location of this proposed well will prevent the drilling of unnecessary wells?

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SANTA FE, NEW MEXICO 87501

A Yes, sir, it will.

Q Do you think correlative rights are protected at this location?

A Yes, sir.

Q Do you think you're more likely to encounter a productive Morrow interval at this unorthodox location than you are at a standard location?

A Yes, sir.

MR. LOSEE: We move the introduction of Exhibits 1 through 4.

MR. STAMETS: These exhibits will be admitted.

MR. LOSEE: I have no further questions of the witness at this time.

EXAMINATION

BY MR. STAMETS:

Q Mr. Siruta, do you anticipate that this well will encounter stored gas from the storage well in Section 21?

A No, sir, I don't believe they are presently storing gas in this well.

Q Is this a storage project that has been abandoned or a storage project that's not been initiated?

A I don't know, sir.

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58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501

Q Do you feel that there's any evidence to indicate that the particular reservoir that the old Continental Duffield well contacted will not really extend as far south as your Section 28?

A With my experience in the Morrow, sir, I don't believe it would.

Q So even though you'd be talking about the same stram line, the same sand, you're not talking about the same reservoir?

A Probably not, sir.

MR. STAMETS: Any other questions of this witness?

He may be excused.

Anything further in this case?

Case will be taken under advisement.

(WHEREUPON, hearing on this case was concluded.)

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P.O. BOX 449  
58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501

REPORTER'S CERTIFICATE

I, BETTY J. LANPHERE, a Court Reporter with offices in Santa Fe, New Mexico, do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me stenographically and reduced to typewritten transcript by me or under my supervision.

DATED at Santa Fe, New Mexico this 23<sup>rd</sup> day of October, 1978.

Betty J. Lanphere  
BETTY J. LANPHERE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6230 heard by me on 5/17 1978.  
Richard L. Ham Examiner  
Oil Conservation Division

## LANPHERE REPORTING SERVICE

P.O. BOX 449  
58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501



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E X H I B I T SIDENTIFIED

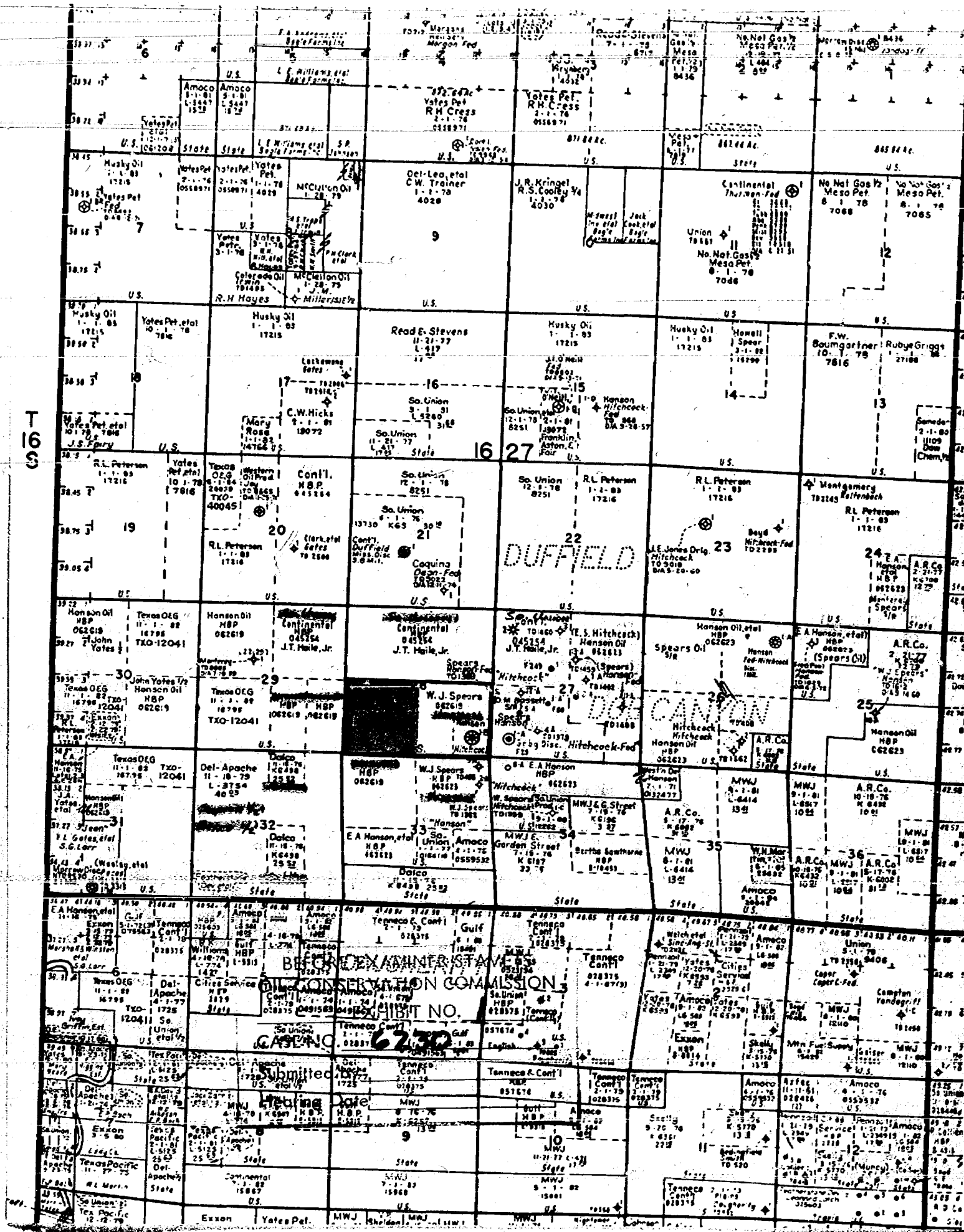
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## LANPHERE REPORTING SERVICE

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58 SOUTH FEDERAL PLACE  
SANTA FE, NEW MEXICO 87501





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BEFORE EXAMINER'S STAMP  
GAS CONSERVATION COMMISSION  
EXHIBIT NO. 6732  
Submitted for  
Leasing

Dockets Nos. 19-78 and 20-78 are tentatively set for hearing on June 7 and 21, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 17, 1978

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

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 6225: Application of Petroleum Development Corporation for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Sun McKay Federal Well No. 2 located in Unit G of Section 10, Township 19 South, Range 32 East, Lea County, New Mexico, in such a manner as to produce oil from the Wolfcamp formation thru tubing and gas from the Morrow formation thru the casing tubing annulus by means of a cross-over assembly.
- CASE 6226: Application of Barber Oil, Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Saladar Unit, by the injection of water into the Yates formation through five wells located in Units K, L, N and O of Section 33, Township 20 South, Range 28 East, Saladar-Yates Pool, Eddy County, New Mexico.
- CASE 6227: Application of Union Texas Petroleum for a non-standard proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 209.5-acre non-standard gas proration unit comprising the W/2 of Section 7, Township 31 North, Range 9 West, Blanco Pictured Cliffs Pool, San Juan County, New Mexico, to be dedicated to a well drilled at a standard location thereon.
- CASE 6228: Application of Depco, Inc., for an unorthodox location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its R&S Federal Com Well No. 1, to be located 1980 feet from the South line and 990 feet from the West line of Section 17, Township 15 South, Range 28 East, Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico, the S/2 of said Section 17 to be dedicated to the well.
- CASE 6229: Application of Texas Oil & Gas Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its South Wilson State Unit Area comprising 3,200 acres, more or less, of State land in Township 21 South, Range 34 East, Lea County, New Mexico.
- CASE 6230: Application of Texas Oil & Gas Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location for its Duffield Fed. Com Well No. 1, a Wolfcamp-Pennsylvanian test to be located 1980 feet from the South line and 660 feet from the West line of Section 28, Township 16 South, Range 27 East, Eddy County, New Mexico, the S/2 of said Section 28 to be dedicated to the well.
- CASE 6215: (Continued from May 3, 1978, Examiner Hearing)
- Application of Texas Oil & Gas Corporation for a non-standard unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard proration unit comprising the N/2 of Section 29, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, Lea County, New Mexico, to be dedicated to a well to be located at an unorthodox location 660 feet from the North and West lines of said Section 29.
- CASE 6231: 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 State "JM" Well No. 1, a Morrow test to be located 660 feet from the North and East lines of Section 25, Township 18 South, Range 24 East, Eddy County, New Mexico, the N/2 of said Section 25 to be dedicated to the well.
- CASE 6232: Application of Yates Petroleum Corporation for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Cities "JG" Well No. 1 to be located 660 feet from the South and East lines of Section 13, Township 18 South, Range 24 East, Fordinkus Field, Eddy County, New Mexico, the E/2 of said Section 13 to be dedicated to the well.
- CASE 6233: Application of Amoco Production Company 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 Ojo Alamo formation through the perforated interval from 1175 feet to 1230 feet in its Cahn Gas Com Well No. 3 located in Unit F of Section 33, and from 1104 feet to 1122 feet in its Keys Gas Com "F" Well No. 1, located in Unit K of Section 27, all in Township 32 North, Range 10 West, Mt. Nebo-Fruitland Pool, San Juan County, New Mexico.

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
TEXAS OIL & GAS CORPORATION FOR AN  
UNORTHODOX GAS WELL LOCATION, EDDY  
COUNTY, NEW MEXICO

CASE NO. 6230

APPLICATION

COMES NOW TEXAS OIL & GAS CORPORATION, by its attorneys,  
and in support hereof, respectfully states:

1. Applicant is the operator of the Wolfcamp and  
Pennsylvanian formations underlying:

Township 16 South, Range 27 East, N.M.P.M.

Section 28: S/2

and proposes to drill its Texas Oil & Gas Corporation Duffield  
Federal Com. No. 1 Well at a point located 1,980 feet from the  
South line and 660 feet from the West line of said Section 28.

2. The applicant seeks an exception to the well loca-  
tion requirements of Rule 104-C.2(a) of the Oil Conservation  
Division to permit the drilling of the well at the above men-  
tioned unorthodox location to a depth sufficient to adequately  
test the Wolfcamp and Pennsylvanian formations.

3. A standard 320-acre gas proration unit comprising  
the S/2 of said Section 28 should be dedicated to such well or  
to such lesser portion thereof as is reasonably shown to be  
reasonably productive of gas.

4. The approval of this application will afford  
applicant the opportunity to produce its just and equitable

share of gas, will prevent 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.

WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting applicant permission to drill a well 1,980 feet from the South line and 660 feet from the West line of said Section 28 and to dedicate the S/2 of Section 28, which is reasonably presumed to be productive of gas from the Wolfcamp and Pennsylvanian formations.

C. And for such other relief as may be just in the premises.

TEXAS OIL & GAS CORPORATION

By: 

Joel M. Carson

LOSEE, CARSON & DICKERSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

Case  
6230

LAW OFFICES

LOSEE & CARSON, P.A.

300 AMERICAN HOME BUILDING

P. O. DRAWER 239

ARTESIA, NEW MEXICO 88210

A. J. LOSEE

JOEL M. CARSON

CHAD DICKERSON

AREA CODE 805

746-3508

20 April 1978

Mr. Joe D. Ramey, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

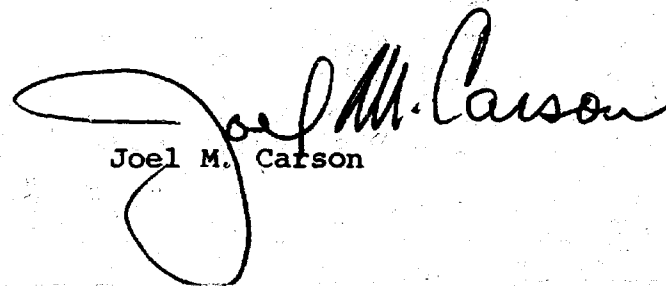
Dear Mr. Ramey:

Enclosed for filing, please find three copies of Application of Texas Oil & Gas Corporation for an unorthodox gas well location for its Duffield Federal Com. No. 1 Well in Eddy County, New Mexico.

We ask that this case be set for hearing before an examiner and that we be furnished with a copy of the docket for said hearing.

Yours truly,

LOSEE, CARSON & DICKERSON, P.A.



Joel M. Carson

JMC:bjm  
Enclosures

cc w/enclosure: Mr. Doyle Snow

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
TEXAS OIL & GAS CORPORATION FOR AN  
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Section 28: S/2

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Federal Com. No. 1 Well at a point located 1,980 feet from the  
South line and 660 feet from the West line of said Section 28.

2. The applicant seeks an exception to the well loca-  
tion requirements of Rule 104-C.2(a) of the Oil Conservation  
Division to permit the drilling of the well at the above men-  
tioned unorthodox location to a depth sufficient to adequately  
test the Wolfcamp and Pennsylvanian formations.

3. A standard 320-acre gas proration unit comprising  
the S/2 of said Section 28 should be dedicated to such well or  
to such lesser portion thereof as is reasonably shown to be  
reasonably productive of gas.

4. The approval of this application will afford  
applicant the opportunity to produce its just and equitable



share of gas, will prevent 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.

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B. That upon hearing the Division enter its order granting applicant permission to drill a well 1,980 feet from the South line and 660 feet from the West line of said Section 28 and to dedicate the S/2 of Section 28, which is reasonably presumed to be productive of gas from the Wolfcamp and Pennsylvania formations.

C. And for such other relief as may be just in the premises.

TEXAS OIL & GAS CORPORATION

By: 

Joel M. Carson

LOSKE, CARSON & DICKERSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

BEFORE THE OIL CONSERVATION DIVISION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
TEXAS OIL & GAS CORPORATION FOR AN  
UNORTHODOX GAS WELL LOCATION, EDDY  
COUNTY, NEW MEXICO

CASE NO. 6230

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Section 28: S/2

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WHEREFORE, applicant prays:

A. That this application be set for hearing before an examiner and that notice of said hearing be given as required by law.

B. That upon hearing the Division enter its order granting applicant permission to drill a well 1,980 feet from the South line and 660 feet from the West line of said Section 28 and to dedicate the S/2 of Section 28, which is reasonably presumed to be productive of gas from the Wolfcamp and Pennsylvania formations.

C. And for such other relief as may be just in the premises.

TEXAS OIL & GAS CORPORATION

By: 

Joel M. Carson

LOSEE, CARSON & DICKERSON, P.A.  
P. O. Drawer 239  
Artesia, New Mexico 88210

Attorneys for Applicant

DRAFT

dr/

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. 6230

ORDER NO. R- 5740

APPLICATION OF TEXAS OIL & GAS CORPORATION

FOR AN UNORTHODOX GAS WELL LOCATION,

EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 17,  
19 78, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this        day of May, 19 78, 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, Texas Oil & Gas Corporation  
for its Duffield Fed. Com well No. 1 to be ~~located~~ drilled at a point  
seeks approval of an unorthodox gas well location 1980  
feet from the South line and 660 feet from the  
West line of Section 28, Township 16 South  
Range 27 East, NMPM, to test the Wolfcamp <sup>and</sup> Pennsylvanian  
formation§ Pool, Eddy  
County, New Mexico.

(3) That the S/2 of said Section 28 is to be  
dedicated to the well.

(4) That a well at said unorthodox location will better  
enable applicant to produce the gas underlying the proration unit.

(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 ~~Wolfcamp~~ <sup>and</sup> Pennsylvanian Texas Oil & Gas Corporation ~~Duffield Fed. Com Well No. 1~~ formation, is hereby approved for ~~well~~ to be ~~drilled~~ at a point 1980

feet from the South line and 660 feet from the West

line of Section 28, Township 16 South, Range 27 East

NMPM, Pool, Eddy County,

New Mexico.

(2) That the S/2 of said Section 28 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 Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.