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

CASE NO.

6230

APPlication, Transcripts, Small Exhibits,

ETC.

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

DIL CONSERVATION DIVISION

JER'I' APODACA

NICK FRANKLIN BECRETARY June 13, 1978

POST OFFICE BOX 2008 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

:			
	Re:	CASE NO.	6230
Mr. Jerry Losee		ORDER NO	R-5740
Losee & Carson			
Attorneys at Law			
Post Office Box 239	00010	Applicant:	
Artesia, New Mexico	88210	•	
		Texas Oil	& Gas Corporation
Dear Sir:	. 4	•	
Enclosed herewith are			
Division order recent	ly ent	ered in the	subject case.
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Yours very truly,		and the second s	
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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 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) What 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 unorthodox location.
- (6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share

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.

STATE OF NEW MEXICO OIL CONSPRVATION DIVISION

JOE D. RAMEY Director

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LAKE	

BEFORE THE NEW MEXICO OIL CONSERVATION COMMÍSSION 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

APPEARANCE

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 449 S8 SOUTH FEDERAL PLACE SANTA FE, NEW MEXICO 87501

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FOR TEXAS OIL AND GAS CORPORATION:

LOSEE, CARSON & DICKERSON
Attorneys at Law
American Home Building
Artesia, New Mexico 88210
BY: A. J. LOSEE, Esq.

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SANTA FE, NEW MEXICO 87501

MR. STAMETS: Call Case 6230.

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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A COMPANY OF THE STATE OF THE S

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

 Ω 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.

Ω 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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- O And the offset wells in the Morrow, if any?
- A Yes.
- O And it does confirm our earlier statement that all of the south half of Section 28 is a federal lease?
 - A Yes.
- O 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.

- Ω 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.
- Ω 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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- O Produced 4.4 Bof gas?
- A Yes, sir.
- 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.
- 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.
- O Please refer to Exhibit 4 heing the crosssection of these three wells and explain briefly what is portrayed by the same.

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The Cross-Section portrays the main pay in the area to the sand stone line directly above the forrow Massive Shale, and it also shows that there's a definite thining 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.
- O 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.
- Ω 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.

want and the same of the same

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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58 SOUTH FEDERAL PLACE SANTA FE, NEW MEXICO 8750: Yes, sir, it will.

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

Yes, sir.

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

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:

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

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

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

I don't know, sir.

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O 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.

Ω 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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REPORTEN'S CHRIFTCATE

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.

of _______, 1978.

BETTY J. JANTHERE, Court Reporter

the Examiner hearing of Case No. 6230 heard by me on 1976.

Oil Conservation Division

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SANTA FE, NEW MEXICO 87501

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EXHIBITS

	TDENTIFIED
(APPLICANT'S EXHIBITS)	
Exhibit 1 - Land Plat	5
Exhibit 2 - Structure Map	6
Exhibit 3 - Isolith Map	
Exhibit 4 - Cross-Section Map	7
Applicant's Exhibits admitted	9

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58 SOUTH FEDERAL PLACE SANTA FE, NEW MEXICO 8750

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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 easing 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 live 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. 3 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 Corroration for an unorthodox gas well location, Eddy County,
 New Mexico. Applicant, in the abole-styled cause, seeks approval of an unorthodox location for
 its Duffield Fed. Com Well No. 1, a Wo fcamp-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 provation 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 Merico: 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" Weil No. 1 to be located 660 feet from the South and East lines of Section 13, Township 18

 South, Range 24 East, Fordinkus Field, Eldy 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 Cas 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:

 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 location requirements of Rule 104-C.2(a) of the Oil Conservation

 Division to permit the drilling of the well at the above mentioned 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

3y:

Joel M. Carson

LOSEE, CARSON & DICKERSON, P.A.

P. O. Drawer 239

Artesia, New Mexico 88210

Attorneys for Applicant

6230

LAW OFFICES

LOSEE & CARSON, P.A.

300 AMERICAN HOME BUILDING P. O. DRAWER 239 AREA CODE 805 746-3508

A.J.LOSEE JOEL M.CARSON CHAD DICKERSON

ARTESIA, NEW MEXICO 88210

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 UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO

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CASE NO. 62.30

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, H.M.P.M.

Section 28: 8/2

and proposes to drill its Texas Oil & Gas Corporation Duffield Pederal 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 location requirements of Rule 104-C.2(a) of the Cil Conservation

 Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Wolfcamp and Pennsylvanian formations.
- 3. A standard 320-agre 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 8/2 of Section 28, which is reasonably presumed to be productive of gas from the Polfcamp and Penesylva formations.
- C. And for such other relief as may be just in th

LOSKE, CARSON & DECKERSON, P.A P. O. Brawer 239

Artesia, New Mexico 98210

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

APPLICATION

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

 Applicant is the operator of the Wolfcamp and Pomnsylvanian formations underlying:

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

Section 28: 8/2

and proposes to drill its Taxas 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 location requirements of Rule 104-C.2(a) of the Oil Conservation Division to permit the drilling of the well at the above mentioned unorthodox location to a depth sufficient to adequately test the Wolfcomp and Pennsylvanian formations.
- 3. A standard 320-acre gas proration unit comprising the 8/2 of said Section 28 should be dedicated to such well or to such lesser portion thereof as is resembly 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 5/2 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

Toel M. Careon

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

(?)

Attorneys for Applicant

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:

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 lecuted drilled at a part of the control of th
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 Pennsylvanian
formations
County, New Mexico.
(3) That the $\frac{S/2}{}$ of said Section $\frac{28}{}$ is to be
ledicated 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 unorthodo
ocation.

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Case	No.	4
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:

- (i) That an unorthodox gas well location for WolfcampAPennsylvanian Texas Oil & Gas Corporation Duffield Fed. Com Well No. 1 formations is hereby approved for well to be well 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 $\frac{S/2}{}$ of said Section $\frac{28}{}$ 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.

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