

CASE 6246: EXXON CORPORATION FOR  
AN UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO

CASE NO.

6246

APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
State Land Office Building  
Santa Fe, New Mexico  
7 June, 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Exxon Corporation for  
an unorthodox gas well location,  
Eddy County, New Mexico.

CASE  
6246

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Applicant:

Paul W. Eaton, Jr., Esq.  
HINKLE, COX, EATON, COFFIELD &  
HENSLEY  
600 Hinkle Building  
Roswell, New Mexico 88201

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
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Santa Fe, New Mexico 87501

I N D E X

LEWIS D. GRIFFIN

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1 MR. NUTTER: Call now Case Number 6246, which  
2 is in the matter of the application of Exxon Corporation  
3 for an unorthodox gas well location, Eddy County, New Mexico.

4 MR. EATON: My name is Paul Eaton with the  
5 firm of Hinkle, Cox, Eaton, Coffield and Hensley, Roswell,  
6 New Mexico, representing Exxon Corporation. We have one  
7 witness.

8 (Witness sworn.)

9  
10 LEWIS D. GRIFFIN

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

13  
14 DIRECT EXAMINATION

15 BY MR. EATON:

16 Q Will you please state your name, your resi-  
17 dence, and by whom you are employed?

18 A I'm Lewis D. Griffin. I live in Midland, Texas,  
19 and am employed as an exploration geologist for Exxon  
20 Corporation.

21 Q Mr. Griffin, have you previously testified  
22 before this Division as a geologist, and were your quali-  
23 fications accepted by the Division?

24 A Yes, sir, I have.

25 Q What does Exxon seek by the application in

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1 this case?

2 A Exxon is seeking to -- approval for an un-  
3 orthodox location for a Silurian test to be drilled 1880  
4 feet from the south line, 825 feet from the west line of  
5 Section 30, Township 26 South, Range 26 East, Eddy County,  
6 New Mexico, and the south half of said Section 30 is to  
7 be dedicated to the well.

8 Q Will you refer to what has been marked for  
9 identification as Exhibit One and state what it reflects?

10 A Our Exhibit One is a Lease Plat in the area  
11 around the unorthodox location.

12 In the lower lefthand corner of the plat there  
13 is an index map to show its relationship to Eddy County.  
14 The plat itself is on a 1-inch equal to 4000-foot scale  
15 and falls in New Mexico save and except for on the plat  
16 a little portion is in Texas, which is marked at the lower  
17 lefthand corner of the map, the Texas-New Mexico line.

18 Also, the area of interest, there are two  
19 township and ranges, and this is noted in the upper por-  
20 tion of the plat, Township 26 South, Range 25 East is the  
21 west third of the plat, and the east third of the plat  
22 is in Township 26 South, Range 26 East.

23 The color on the plat is showing the lease  
24 ownership in the area around the location Exxon is seeking  
25 approval of. In the colors -- colored area the leaseholders

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1 names are labeled and the expiration date of that lease.

2 Q All of the yellow acreage is Exxon-owned  
3 leases?

4 A That's right.

5 Q Mr. -- go ahead.

6 A Well, another thing the plat shows is there  
7 are several shallow tests on the plat. These tests vary  
8 in TD's. The TD is marked below the well. These were  
9 Delaware tests. They appear in Sections 7, 17, one in  
10 19, and one in Section 28, of Township 26 South, Range  
11 26 East.

12 There are no deep tests on the plat itself.

13 Q What is the proposed depth of Exxon's test  
14 well?

15 A Okay, the plat also shows the unorthodox  
16 location in Section 30, which is 825 feet from the west  
17 line and 1880 from the south line. At this location we  
18 intend to drill a 13,000 foot Silurian test. We have  
19 two primary objectives for the test, being the Morrow and  
20 the Silurian.

21 This location is unorthodox because of the  
22 825 foot distance from the west line of the proration  
23 unit in Section 30; however, the lease to the west is  
24 owned by Exxon. We have a lease on the Section 25 to  
25 the west of the proration unit.

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1 Q I notice, Mr. Griffin, that the exhibit re-  
2 fers to Amended Well Location Exxon No. 1 Scheidt Federal.

3 A That's right.

4 Q What does -- what do you mean by the reference  
5 to amended well location?

6 A All right, originally we did file a drilling  
7 permit, which was approved a few months ago for the Exxon  
8 No. 1 Scheidt Federal Well at a standard location 1980  
9 feet from the south and west line of Section 30, and this  
10 unorthodox location is to amend that original standard  
11 location for Exxon's No. 1 Scheidt Federal Well.

12 Q Does your Exhibit Number Two perhaps explain  
13 why you seek the unorthodox location?

14 A Yes.

15 Q Would you refer to that exhibit and state  
16 what it is and what it shows?

17 A All right. Exhibit Number Two, the map covers  
18 exactly the same area as the Lease Plat, which we just  
19 covered, and the scale is the same, 1-inch to 4000 feet.

20 This is a structure map on top of the Silurian  
21 formation. The contour interval is 100 foot. The structure  
22 map shows a faulted closure which is centered around Sec-  
23 tion 30, and the dark, heavy lines show the fault in the  
24 area, which are marked as to their throw by a "U" for up  
25 and "D" for a down throw side. We also --

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1 Q I was just going to ask, what was the structure --  
2 what data supported this map?

3 A All right. Again, we have no -- as I mentioned  
4 earlier on the plat, we have no deep wells in this -- in  
5 the area of the plat, and this plat is -- the structure  
6 interpretation, excuse me, is based on our seismic data  
7 in this area.

8 Another thing we might point out on the plat  
9 is a red line, which is marked A - A', this is a cross  
10 section which we'll show as an exhibit next.

11 The reason for our asking for this unorthodox  
12 location, while -- about in the latter part of 1977 we  
13 attempted to put together a drilling unit in this area  
14 and we showed the lease operators around the well, which  
15 was located 1980 feet out of the southwest corner of  
16 Section 30. We showed them our seismic and after that  
17 meeting, Superior, who is the next major operator in this  
18 area, they shot, I believe, three lines in this area, and  
19 about three or four weeks ago they called us up and said  
20 we think you ought to move your location.

21 Well, that got our attention. And they said  
22 we'd like for you to come over and look at a line. This  
23 line that they wanted to show us falls just about where  
24 our cross section line -- it was an east/west line that  
25 ran from Section 26 to Section 26 to the east, and our

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1 seismic interpreters went over and looked at their line  
2 and on that line there was a definite break right where  
3 we had our location 1980 out of the southwest corner.

4 MR. NUTTER: Are they a partner in this well?

5 A. They have agreed that they will either join  
6 or farm out at that point. Now, which way they're going  
7 to go is not decided at this time.

8 Q. Anyhow, is it on the basis of not only your  
9 data but also Superior's seismic --

10 A. That's true.

11 Q. -- data that you concluded to change the  
12 location?

13 A. That's right. After reviewing their seismic  
14 data, well, their interpreters and our interpreters believe  
15 that the location should be moved and everybody agreed  
16 that the direction to move it for the most -- for the  
17 best location, would be to the west.

18 Q. Is there anything else you want to bring out  
19 in connection with Exhibit Two?

20 A. I believe that's all I have.

21 Q. All right. Now, would you refer to Exhibit  
22 Three and state what that portrays?

23 A. Yes, sir. This is a cross section line that  
24 I just mentioned that falls -- that is shown on plat --  
25 on Exhibit Two as A - A'. Our horizontal scale is exactly

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1 the same as our plat, 1-inch over 4000 feet with a verti-  
2 cal scale, 1-inch equal to 2000 feet.

3 On this cross section we've shown where our  
4 original location would fall, and it's shown by a dashed  
5 line. This was the original location 1980 feet out of  
6 the southwest corner.

7 And it shows that it would fall right on a  
8 fault which we have shown below the Wolfcamp formation.  
9 Incidentally, the three heavy lines below the -- three  
10 heavy vertical lines below the Wolfcamp are the placement  
11 of the faults which you see on the structure map.

12 Also we have on this cross section the position  
13 of the requested unorthodox location and it points out  
14 that it would -- we'd like to move a sufficient distance  
15 to the west to clear this fault which you see on the  
16 seismic line, and it would also place the well in the  
17 most optimum location on the structural based on our re-  
18 cent seismic data.

19 Q Now, Mr. Griffin, are the other leaseowners  
20 who have acreage in the general area surrounding the pro-  
21 posed well, aware that Exxon is seeking the unorthodox  
22 location?

23 A Yes, sir, they are.

24 Q Have they indicated a concurrence with the  
25 proposal of location, or conversely, have they indicated

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1 any objection to the proposed location?

2 A. They have indicated that they would approve  
3 this. In fact, Exxon has proposed this working interest  
4 unit, which is comprised of about 5,235 acres around this  
5 location and all of the operators have agreed to either  
6 join or farm out and they have all been notified to the  
7 unorthodox location and they have stated their approval.

8 Q In your opinion will approval of the unorthodox  
9 location be in the interest of conservation, prevention  
10 of waste, and protection of correlative rights?

11 A. Yes, it would.

12 Q Were Exhibits One, Two, and Three prepared by  
13 you or under your supervision?

14 A. Yes, sir, they were.

15 MR. EATON: Mr. Examiner, we offer those  
16 three exhibits into evidence.

17 MR. NUTTER: Exxon Exhibits One through Three  
18 will be admitted in evidence.

19 MR. EATON: We have no further questions.

20  
21 CROSS EXAMINATION

22 BY MR. NUTTER:

23 Q Mr. Griffin, this is proposed as a Silurian  
24 test. If you get production in the Silurian would it be  
25 gas or would it be oil, do you think?

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1 A. Well, that's a good question. To the south of  
2 us indicates gas and maybe look to the north and over in  
3 New Mexico, it would be oil, so I don't know that I can  
4 answer --

5 Q Are there any Silurian gas wells in this  
6 area of the State?

7 A. Not in this immediate area, no.

8 Q But it will also test the Morrow and that  
9 could be gas.

10 A Yes, sir, and that is definitely gas.

11 Q If you get production in the Morrow will you  
12 go on to the Silurian?

13 A Yes, sir, we will.

14 Q It's definitely a Silurian test, then?

15 A That's what we have it scheduled for, yes,  
16 sir.

17 MR. NUTTER: Are there any further questions  
18 for Mr. Griffin? He may be excused.

19 Do you have anything further, Mr. Eaton?

20 MR. EATON: No, sir.

21 MR. NUTTER: Does anyone have anything they  
22 wish to offer in Case Number 6246?

23 We'll take the case under advisement.

24 (Hearing concluded.)  
25

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill from my notes taken at the time of the hearing.

*Sally Walton Boyd CSR*  
Sally Walton Boyd, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. *6246* heard by me on *6/7*, 19 *78*.

*[Signature]* Examiner  
New Mexico Oil Conservation Commission

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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. 6246  
Order No. R-5750

APPLICATION OF EXXON 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 June 7, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th 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) That the applicant, Exxon Corporation, seeks approval of an unorthodox gas well location for a well to be drilled at a point 1880 feet from the South line and 825 feet from the West line of Section 30, Township 26 South, Range 26 East, NMPM, to test the Morrow and Silurian formations, Eddy County, New Mexico.
- (3) That the S/2 of said Section 30 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 of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the



-2-

Case No. 6246  
Order No. R-5750

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 Morrow and Silurian formations is hereby approved for Exxon Corporation for a well to be drilled at a point 1880 feet from the South line and 825 feet from the West line of Section 30, Township 26 South, Range 26 East, NMPM, Eddy County, New Mexico.

(2) That the S/2 of said Section 30 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 CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

  
S E A L

fd/

CASE 6204: (Reopened and Readvertised)

Application of Producing Royalties, Inc., for an exemption from the Natural Gas Pricing Act, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination as to whether the proration unit consisting of the NW/4 of Section 12, Township 29 North, Range 12 West, San Juan County, New Mexico, on which the Carroll-Cornell Well No. 2 is located was producing or capable of producing natural gas prior to January 1, 1975, from the Fulcher Kutz-Pictured Cliffs reservoir; if so, applicant seeks exemption from the Natural Gas Pricing Act for two replacement Pictured Cliffs wells in the same proration unit pursuant to a finding that the wells are justified for reasons other than avoiding the application of the Act.

CASE 6244: Application of Tom L. Ingram for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo Reef formation through the perforated interval from 8915 feet to 8992 feet in his State M Well No. 1 located in Unit O of Section 18, Township 17 South, Range 36 East, Vacuum-Abo Pool, Lea County, New Mexico.

CASE 6245: Application of Germany Investment Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Wolfcamp and Canyon production in the wellbore of its USA 9 Well No. 1 located in Unit I of Section 9, Township 20 South, Range 28 East, North Burton Flat Field, Eddy County, New Mexico.

CASE 6246: Application of Exxon Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location for a Silurian test to be drilled 1880 feet from the South line and 825 feet from the West line of Section 30, Township 26 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 30 to be dedicated to the well.

CASE 6247: Application of Mobil Oil Corporation for a unit agreement, Lea County, New Mexico, or statutory unitization. Applicant, in the above-styled cause, seeks approval of its North Vacuum Abo East Unit Area, comprising 866 acres, more or less, of State lands in Township 17 South, Range 35 East, Lea County, New Mexico.

In the absence of voluntary unitization, applicant seeks statutory unitization, for the purpose of pressure maintenance, of all mineral interests in the North Vacuum Abo East Unit underlying the following described lands in Township 17 South, Range 35 East, Lea County, New Mexico:

Section 7: S/2  
Section 18: N/2, SW/4, and W/2 SE/4

The unitized interval would be from a depth of 4385 feet subsea to 5225 feet subsea in the Mobil State "UU" Com. Well No. 1, located in Unit F of the aforesaid Section 7.

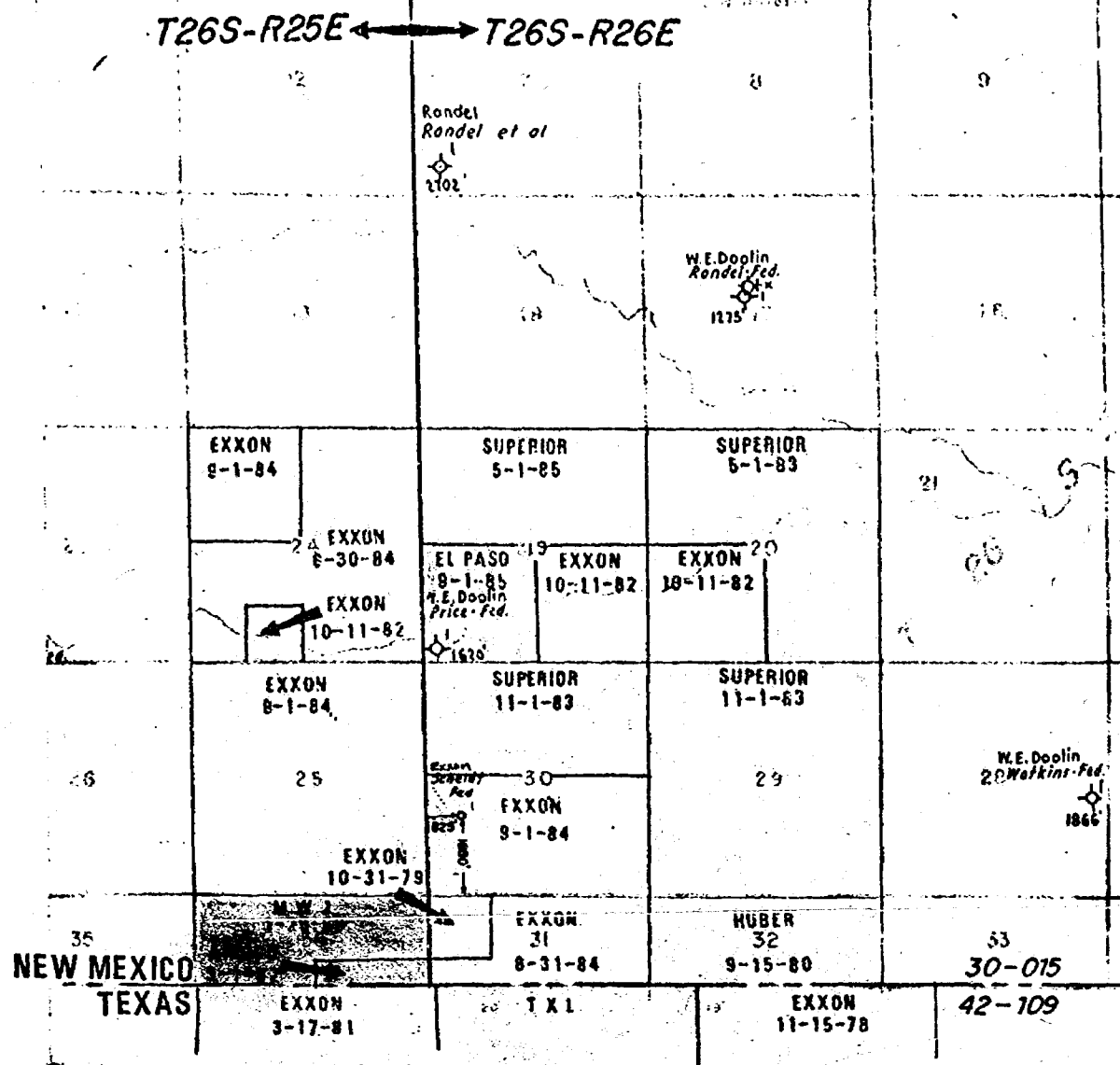
Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 6248: Application of Mobil Oil Corporation for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the North Vacuum Abo East Unit Area by the injection of water into the Abo formation through five wells located in Units N and P of Section 7, and Units F, H, and N of Section 18, all in Township 17 South, Range 35 East, North Vacuum Abo Pool, Lea County, New Mexico, and the promulgation of special rules governing said project.

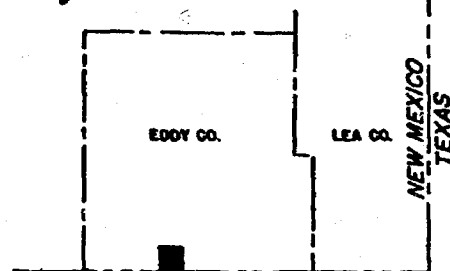
CASE 6249: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves, Lea, and Eddy Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Mississippian production and designated as the Bar U-Mississippian Pool. The discovery well is Charles F. Harding State "3" Well No. 1 located in Unit G of Section 3, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM  
Section 3: NE/4



*has planned to drill  
1980 From S&W line  
of Sec 30*



PLAT LOCATION  
INDEX MAP

**AMENDED WELL LOCATION  
EXXON NO.1 SCHEIDT FED.  
EDDY COUNTY, NEW MEXICO**

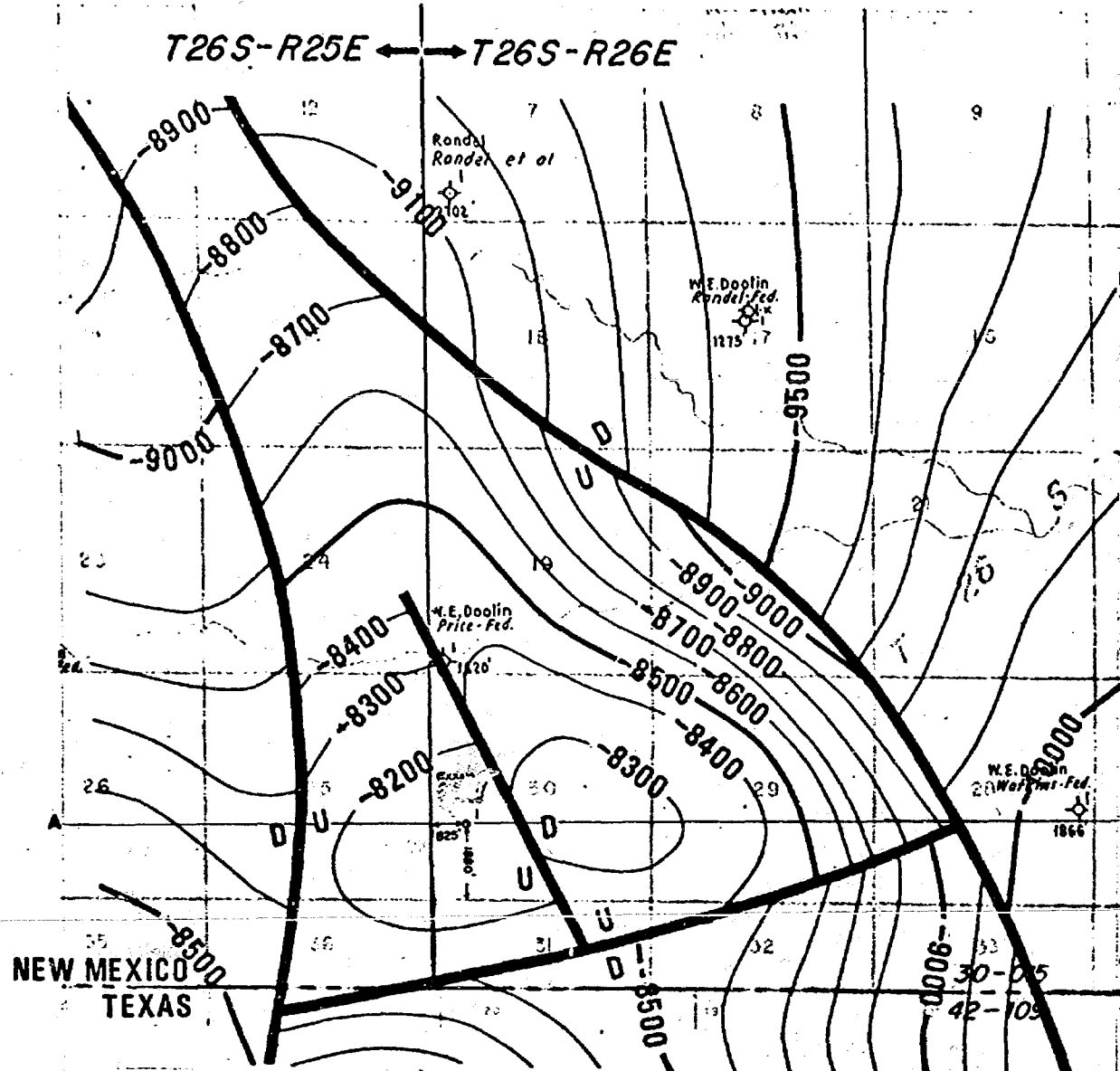
**LEASE MAP**

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
WELL NO. 1  
CASE NO. 6246

SCALE 1" 4000'

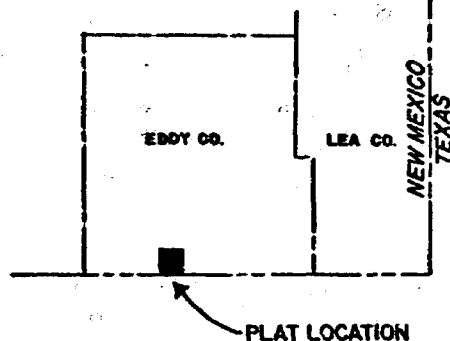
*proposed depth: 13,000'*  
JUNE 1978

*Morrow & Silurian*



*amended location because  
1980-1980 location  
fell on fault*

**AMENDED WELL LOCATION  
EXXON NO.1 SCHEIDT FED.  
EDDY COUNTY, NEW MEXICO**



**INDEX MAP**

**STRUCTURE MAP**  
*Based on Seismic only - no deep tests in area.*  
**TOP SILURIAN**

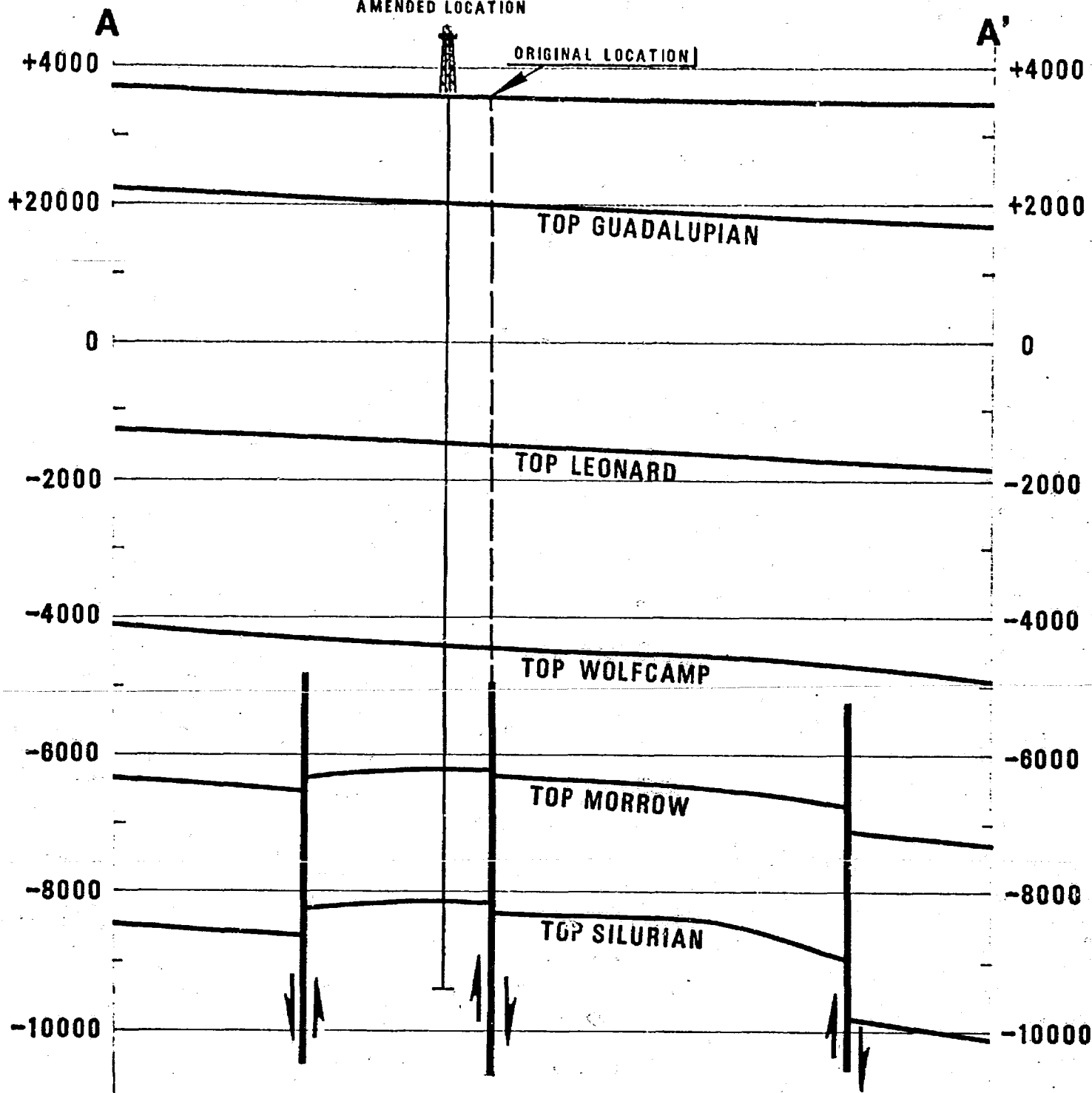
**C.I. 100'**

**SCALE 1" 4000'**

BEFORE EXAMINER NUTTER	
OIL COMPANY NAME	
DATE	
CASE NO.	6246

**JUNE, 1978**

EXXON  
#1 SCHEIDT FED.  
AMENDED LOCATION



**CROSS SECTION  
FOR  
AMENDED WELL LOCATION  
EXXON #1 SCHEIDT FED.  
EDDY COUNTY, NEW MEXICO**

**SCALE**  
**HORIZONTAL 1"=4000'**  
**VERTICAL 1"=2000'**

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 3  
CASE NO. 6246

**JUNE 1978**

LEWIS G. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
STUART D. SHANOR  
C. D. MARTIN  
PAUL J. KELLY, JR.  
JAMES H. BOZARTH

DOUGLAS L. LUNSFORD  
PAUL M. BOHANNON  
J. DOUGLAS FOSTER  
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May 18, 1978

Santa Fe

OF COUNSEL  
CLARENCE E. HINKLE

W. E. BONDURANT, JR. (1914-1973)

MIDLAND, TEXAS OFFICE  
521 MIDLAND TOWER  
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C. RAY ALLEN LICENSED  
IN TEXAS ONLY

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

Dear Sir:

We enclose triplicate copies of the Application of Exxon Corporation for an unorthodox gas well location, Eddy County, New Mexico. It is our understanding that this application has already been placed upon the June 7 docket.

Yours very truly,

*Paul W. Eaton, Jr.*  
Paul W. Eaton, Jr.

PWE:dw

cc: Mr. Jack Dalious  
Mr. John Henderson  
Mr. Harley Reavis

22 1978

BEFORE THE OIL CONSERVATION DIVISION OF  
THE DEPARTMENT OF ENERGY AND MINERALS

Case 6246

APPLICATION OF EXXON CORPORATION )  
FOR AN UNORTHODOX GAS WELL LOCATION, )  
EDDY COUNTY, NEW MEXICO. )

APPLICATION

Exxon Corporation hereby makes application for approval of  
an unorthodox gas well location and states:

1. Applicant proposes to drill a wildcat gas well to the  
Silurian formation to be located 825 feet from the west line and  
1,880 from the south line of Section 30, Township 26 South, Range  
26 East, N.M.P.M., Eddy County, New Mexico.
2. The South half of Section 30, Township 26 South, Range  
26 East, N.M.P.M. will be dedicated to the well.
3. Approval of the unorthodox location will be in the  
interest of conservation, prevention of waste and protection of  
correlative rights.

HINKLE, COX, EATON, COFFIELD & HENSLEY

By Paul N. Eaton Jr.  
P.O. Box 10  
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Attorneys for Exxon Corporation

MAY 22 1973

BEFORE THE OIL CONSERVATION DIVISION OF  
THE DEPARTMENT OF ENERGY AND MINERALS

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By Paul W. Eaton Jr.  
P.O. Box 10  
Roswell, New Mexico 88201  
Attorneys for Exxon Corporation



1978 22 1978

BEFORE THE OIL CONSERVATION DIVISION OF  
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APPLICATION OF EXXON CORPORATION )  
FOR AN UNORTHODOX GAS WELL LOCATION, )  
EDDY COUNTY, NEW MEXICO. )

APPLICATION

Exxon Corporation hereby makes application for approval of  
an unorthodox gas well location and states:

1. Applicant proposes to drill a wildcat gas well to the  
Silurian formation to be located 825 feet from the west line and  
1,880 from the south line of Section 30, Township 26 South, Range  
26 East, N.M.P.M., Eddy County, New Mexico.
2. The South half of Section 30, Township 26 South, Range  
26 East, N.M.P.M. will be dedicated to the well.
3. Approval of the unorthodox location will be in the  
interest of conservation, prevention of waste and protection of  
correlative rights.

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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. 6246

ORDER NO. R- 5750

APPLICATION OF EXXON 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 June 7,  
19 78, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of June, 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, Exxon Corporation,  
seeks approval of an unorthodox gas well location <sup>for a well to be drilled at a point</sup> 1880  
feet from the South line and 825 feet from the  
West line of Section 30, Township 26 South  
Range 26 East, NMPM, to test the Morrow and  
Silurian  
formations, Pool, Eddy  
County, New Mexico.

(3) That the S/2 of said Section 30 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.

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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 Morrison and  
Exxon Corporation for a Silurian  
formations is hereby approved for A well to be drilled at a point 1880  
feet from the South line and 825 feet from the West  
line of Section 30, Township 26 South, Range 26 East  
NMPM, \_\_\_\_\_, Eddy County,  
New Mexico.

(2) That the S/2 of said Section 30 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.