

Entered October 5, 1971
A.S.P.

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. 4594
Order No. R-4199

APPLICATION OF CONTINENTAL
OIL COMPANY FOR AN UNORTHODOX
OIL WELL LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 15, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of October, 1971, 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, is the operator of an oil proration unit comprising the SW/4 SE/4 of Section 19, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico.
- (3) That said proration unit is presently dedicated to applicant's Eaves "A" Well No. 1 located 330 feet from the South line and 2310 feet from the East line of said Section 19.
- (4) That the applicant seeks an exception to Rule 104 C I of the Commission Rules and Regulations to permit the drilling of its Eaves "A" Well No. 15 as a second well on the above-described proration unit at an unorthodox location 660 feet from the South line and 2540 feet from the East line of said Section 19.

-2-

CASE NO. 4594
Order No. R-4199

(5) That the applicant also seeks to simultaneously dedicate the SW/4 SE/4 of Section 19 to its Eaves "A" Well No. 15 and Eaves "A" Well No. 1 with assignment of a single 40-acre Scarborough-Yates allowable to the unit and authority to produce any or all of the allowable from either well.

(6) That approval of the subject application will prevent the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery, which might result from the drilling of too few wells, will afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the subject pool, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby granted an exception to Rule 104 C I of the Commission Rules and Regulations to drill its Eaves "A" Well No. 15 at an unorthodox location 660 feet from the South line and 2540 feet from the East line of Section 19, Township 26 South, Range 37 East, NMPM, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico, as a second well on its proration unit comprising the SW/4 SE/4 of said Section 19.

(2) That the applicant is hereby authorized to simultaneously dedicate the SW/4 SE/4 of Section 19, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico, to the aforesaid Eaves "A" Well No. 15 and to its Eaves "A" Well No. 1 located 330 feet from the South line and 2310 feet from the East line of said Section 19; that a single 40-acre Scarborough Yates-Seven Rivers allowable shall be assigned to said 40-acre unit; and that the applicant is hereby authorized to produce any or all of the Scarborough Yates-Seven Rivers allowable from either well in any proportion.

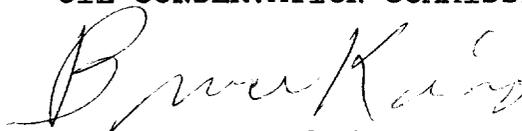
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

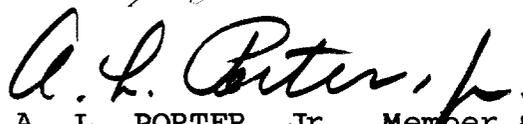
CASE NO. 4594
Order No. R-4199

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

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