

Entered November 14, 1978

JLR

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. 6362
Order No. R-5851

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION AND A NON-STANDARD PRORATION
UNIT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 25, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of November, 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, Continental Oil Company, seeks approval of a 294.9-acre non-standard gas proration unit comprising the S/2 of partial Section 19, Township 17 South, Range 29 East, South Empire-Morrow Area, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 3300 feet from the East line of said partial Section 19, to test the Morrow formation.

(3) That said unorthodox location is necessitated by an irregularity in the U. S. Public Lands Survey.

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

-2-

Case No. 6362
Order No. R-5851

(5) 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:

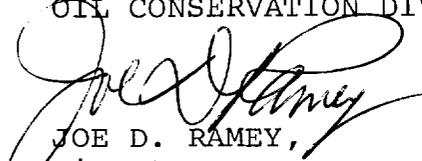
(1) That an unorthodox gas well location for the Morrow formation is hereby approved for a Continental Oil Company well to be drilled at a point 660 feet from the South line and 3300 feet from the East line of partial Section 19, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

(2) That a 294.9-acre non-standard gas proration unit comprising the S/2 of said partial Section 19 is hereby approved and 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

S E A L

dr/