

Entered April 25, 1979
JAF

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. 6518
Order No. R-5990

APPLICATION OF McCLELLAN OIL
CORPORATION FOR AN UNORTHODOX GAS
WELL LOCATION, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 11, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of April, 1979, 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, McClellan Oil Corporation, seeks approval of an unorthodox gas well location of its Federal Well No. 2 located 2310 feet from the North line and 2310 feet from the East line of Section 11, Township 14 South, Range 28 East, NMPM, Sams Ranch-Grayburg Gas Pool, Chaves County, New Mexico.
- (3) That the NE/4 of said Section 11 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. 6518

Order No. R-5990

(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:

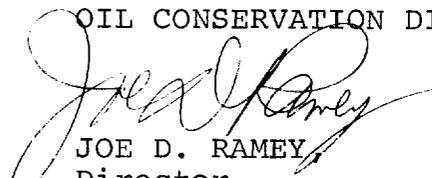
(1) That an unorthodox gas well location for the Grayburg formation is hereby approved for the McClellan Oil Corporation Federal Well No. 2 located 2310 feet from the North line and 2310 feet from the East line of Section 11, Township 14 South, Range 28 East, NMPM, Sams Ranch-Grayburg Gas Pool, Chaves County, New Mexico.

(2) That the NE/4 of said Section 11 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/