

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9435
Order No. R-8777

APPLICATION OF UNION OIL COMPANY
OF CALIFORNIA d/b/a UNOCAL FOR
A NON-STANDARD GAS PRORATION UNIT
AND UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 20, 1988 and on October 26, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of November, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Union Oil Company of California d/b/a Unocal, seeks approval of a 58.72-acre non-standard gas proration unit comprising Lots 1 and 4 of Irregular Section 5, Township 20 South, Range 39 East, NMPM, Lea County, New Mexico, to be dedicated to a well to be drilled in an unorthodox gas well location 600 feet from the North line of said Irregular Section 5 and 330 feet east of the western boundary of Lot 1 in said Section 5.

(3) The entire non-standard proration unit may reasonably be presumed productive of gas from the Undesignated House Yates-Seven Rivers Gas Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well.

(4) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the Undesignated House Yates-Seven Rivers Gas 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.

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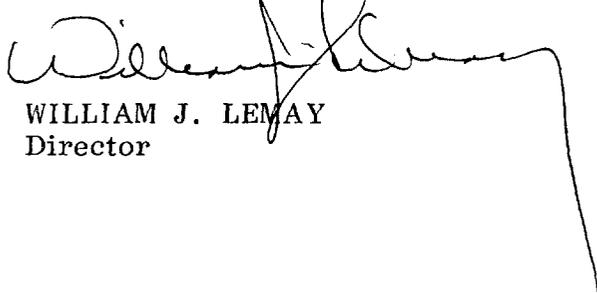
IT IS THEREFORE ORDERED THAT:

(1) The application of Union Oil Company of California d/b/a Unocal for a 58.72-acre non-standard gas proration unit in the Undesignated House Yates-Seven Rivers Gas Pool comprising Lots 1 and 4 of Irregular Section 5, Township 29 South, Range 39 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled at an unorthodox gas well location 600 feet from the North line of Irregular Section 5 and 330 feet east of the western boundary of Lot 1 in said Section 5.

(2) 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



WILLIAM J. LEMAY
Director

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