BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

IN THE MATTER OF -

THE APPLICATION OF SOUTHWEST PRODUCTION) COMPANY, a co-partnership, consisting of JOHN H. HILL and JOSEPH P. DRISCOLL,) FOR AN UNORTHODOX WELL LOCATION IN THE CHA CHA-GALLUP OIL POOL IN SAN JUAN) COUNTY, NEW MEXICO, SUCH LOCATION BEING IN THE SOUTHWEST QUARTER OF THE NORTH-) WEST QUARTER ($SW_{\pm}^{\pm}NW_{\pm}^{\pm}$) of SECTION 16, T-29-N, R-14-W, N.M.P.M., San Juan) County, New Mexico.

Case No. 2322

<u>A P P L I C A T I O N</u>

Comes now the applicant, Southwest Production Company, a co-partnership consisting of John H. Hill and Joseph P. Driscoll, and alleges and states:

1. That applicant is the owner of the oil and gas lease covering the $SW_{\pm}^{1}NW_{\pm}^{1}$ of Section 16, T-29-N, R-14-W, N.M.P.M.; that said land is a part of the Cha Cha-Gallup Oil Pool in the above described county and state.

2. That Order No. R-1800 promulgated by this Commission provided that each well completed in the above described pool should be located within 150 feet of the center of either quarter section in an 80 acre unit, but <u>surface conditions</u> in the SW¹/₄ of the above described Section 16 make it impracticable to locate a well within 150 feet of the center of said quarter section, and because of such surface hazards and conditions, applicant desires to drill a well in said quarter section at a location <u>330</u> feet from the West line of said Section 16 and 2260 feet from the North line of said Section. 3. That applicant is entitled to an Order of this Commission granting it permission to drill a well at the location described in the preceding Paragraph. That to deny applicant permission to drill such well at a non-standard location as indicated, would interfere with his correlative rights and cause waste, whereas the granting of permission to drill at the location requested will protect the correlative rights of the parties and prevent waste.

4. That the names and addresses of all parties known to the applicant who might be interested in this Application are set out in Exhibit "A" attached hereto and made a part hereof.

WHEREFORE, applicant prays that this Application be set for hearing, that due notice be given in accordance with the Rules of this Commission and the Laws of the State of New Mexico; that upon hearing such application and from the evidence to be adduced, the Commission enter an Order granting applicant the right to drill a well into the Cha Cha-Gallup Oil Pool at the unorthodox location above described.

> SOUTHWEST PRODUCTION COMPANY, a co-partnership, consisting of John H. Hill and Joseph P.

Driscoll, By Verity Geo. L.

Its Attorney / 152 Petroleum Center Building Farmington, New Mexico

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