

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. 10213
Order No. R-9417

APPLICATION OF MEWBOURNE OIL
COMPANY FOR AN UNORTHODOX GAS
WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 10, 1991, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of January, 1991, 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, Mewbourne Oil Company, seeks approval for an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 14, Township 17 South, Range 26 East, NMPM, Eddy County, New Mexico, to test the Undesignated Kennedy Farms-Morrow Gas Pool.

(3) The applicant proposes to dedicate the N/2 of said Section 14 to the subject well forming a standard 320-acre gas spacing and proration unit for said pool.

(4) The applicant presented geologic evidence and testimony which indicates that a well drilled at the proposed location should penetrate the Morrow "A" Sand in an area of greater net sand thickness and in an area of greater permeability development than a well drilled at a standard location thereon, thereby increasing the likelihood of obtaining commercial production.

(5) The affected acreage to the south is currently operated by the applicant, and the affected acreage to the west is currently operated by Yates Petroleum Corporation.

(6) The applicant presented as evidence in this case a signed waiver of objection to the proposed unorthodox location from Yates Petroleum Corporation.

(7) No other offset operator and/or interest owner appeared at the hearing in opposition to the application.

(8) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected 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 THAT:

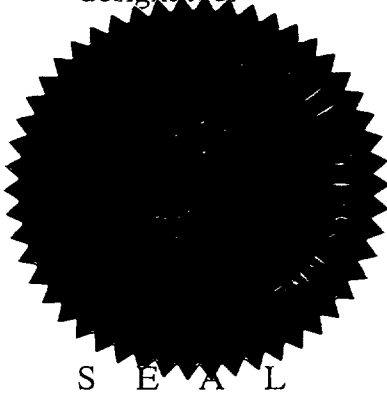
(1) The application of Mewbourne Oil Company for an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 14, Township 17 South, Range 26 East, NMPM, Eddy County, New Mexico, to test the Undesignated Kennedy Farms-Morrow Gas Pool is hereby approved.

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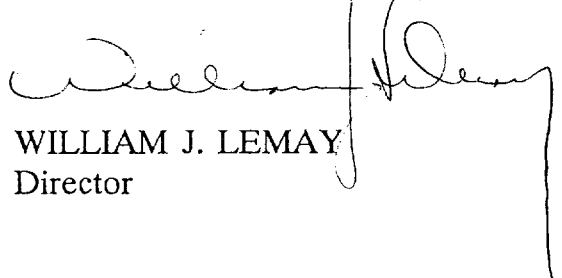
(2) The N/2 of said Section 14 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for said pool.

(3) Jurisdiction is hereby 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