

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. 8160
Order No. R-7516

APPLICATION OF WALLACE OIL AND
GAS, INC. FOR AN UNORTHODOX GAS
WELL LOCATION, ROOSEVELT COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 25, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 3rd day of May, 1984, 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 Division Case Nos. 8158 and 8159 were consolidated with this case at the time of hearing for the purpose of testimony.

(3) That the applicant, Wallace Oil & Gas, Inc. seeks approval of an unorthodox gas well location 660 feet from the North and East lines of Section 8, Township 7 South, Range 33 East, NMPM, to test the Canyon formation, North Chaveroo-Canyon Gas Pool, Roosevelt County, New Mexico.

(4) That the N/2 of said Section 8 is to be dedicated to the well.

(5) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

-2-
Case 8160
Order No. R-7516

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

(7) That 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:

(1) That the application of Wallace Oil & Gas, Inc. for an unorthodox gas well location to test the Canyon formation is hereby approved for a well to be located at a point 660 feet from the North and East lines of Section 8, Township 7 South, Range 33 East, NMPM, North Chaveroo-Canyon Gas Pool, Roosevelt County, New Mexico.

(2) That the N/2 of said Section 8 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 hereinafter designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director