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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION OIL CONSERVATION DIVISION

APPLICATION OF COASTAL OIL & GAS
CORPORATION FOR A NON-STANDARD
UNIT,
LEA COUNTY, NEW MEXICO

No. 4207

APPLICATION

Coastal Oil & Gas Corporation, by its undersigned attorneys, hereby makes application for approval of a non-standard unit, and in support thereof states:

1. Applicant seeks approval of a non-standard unit comprised of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 6, Township 14 South, Range 33 East, N.M.P.M., Lea County, New Mexico.
2. Applicant proposes to drill an oil well at an orthodox location in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 6, to be drilled to a proposed depth of 9,900 feet from the surface in the Baum-Upper Pennsylvanian field.
3. The Baum-Upper Pennsylvanian pool rules require 160-acre units, but make provision for units of less than 160 acres.
4. The field discovery well is located in a non-standard 40-acre unit located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 6, and is currently producing small amounts of oil.
5. Applicant proposes that the non-standard 40-acre unit be awarded a reduced 80-acre allowable in accordance

with the pool rules, and that production from the discovery well be credited toward such allowable.

6. Approval of the non-standard unit with a reduced allowable as described above will be in the interests of conservation, the prevention of waste, and the protection of correlative rights.

7. Applicant requests the setting of this matter for the regular Examiner hearing on June 6, 1984.

HINKLE, COX, EATON,
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Date: April 30th, 1984