

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. 8729
Order No. R-8059

APPLICATION OF HCW EXPLORATION, INC.
FOR A NON-STANDARD GAS PRORATION
UNIT, UNORTHODOX WELL LOCATION AND
SIMULTANEOUS DEDICATION, LEA COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on October 9, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 31st day of October, 1985, 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, HCW Exploration, Inc., seeks approval of a 316-acre non-standard gas proration unit comprising the N/2 of Section 31, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to the R. W. Cowden "C" Well No. 9 located at an unorthodox gas well location 1650 feet from the North line and 800 feet from the East line of said Section 31, Jalmat Gas Pool, Lea County, New Mexico.

(3) The applicant further seeks to simultaneously dedicate the N/2 of said Section 31 to the above-described well and to its R. W. Cowden "C" Well No. 4 located in Unit C of said Section 31.

(4) No offset operator objected to the proposed non-standard proration unit, unorthodox location or simultaneous dedication.

(5) The entire non-standard proration unit may reasonably be presumed productive of gas from the Jalmat Gas Pool and the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid wells.

(6) A well at said unorthodox location is needed to better enable applicant to produce the gas underlying the proration unit.

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

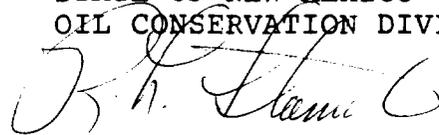
(1) HCW Exploration, Inc. is hereby authorized to drill its R. W. Cowden "C" Well No. 9 at an unorthodox location 1650 feet from the North line and 800 feet from the East line of Section 31, Township 23 South, Range 37 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(2) A 316-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the N/2 of Section 31, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and simultaneously dedicated to the above-described well and to the applicant's R. W. Cowden "C" Well No. 4 located in Unit C of said Section 31.

(3) 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



R. L. STAMETS,
Director

