

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. 9280
Order No. R-8577

THE APPLICATION OF LEWIS B. BURLESON,
INC. FOR AN UNORTHODOX GAS WELL
LOCATION AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 16, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 4th day of January, 1988, 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, Lewis B. Burleson, Inc., seeks approval of an unorthodox gas well location for its existing State "A-7" Well No. 2 located 1650 feet from the South and East lines (Unit J) of Section 7, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico.

(3) The applicant further seeks approval to simultaneously dedicate an existing 158.9-acre non-standard gas proration unit (authorized by Division Order No. R-4481) consisting of the N/2 S/2 of said Section 7 to the above described well and to its existing State "A-7" Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 7.

(4) The evidence in this case indicates that the State "A-7" Well No. 2 was originally drilled and completed in 1957 at a standard oil well location within the Eunice Monument Grayburg-San Andres Pool.

(5) Evidence and testimony further indicate that said State "A-7" Well No. 2 has depleted the reserves within the Eunice Monument Grayburg-San Andres Pool and is currently uneconomical to produce within said pool.

(6) The applicant proposes to recomplete said well in the Penrose formation of the Eumont Gas Pool, where, according to testimony by the applicant, an additional 500,000 MCF of gas reserves will be produced which would otherwise not be recovered by the existing State "A-7" Well No. 2.

(7) No offset operator objected to the proposed non-standard location and simultaneous dedication.

(8) 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 should otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

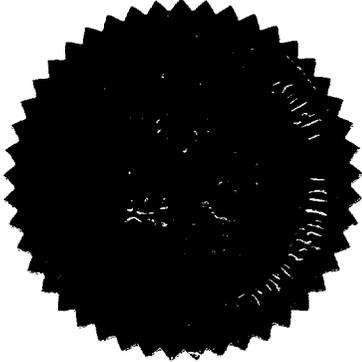
(1) The applicant, Lewis B. Burleson, Inc., is hereby authorized to recomplete in the Eumont Gas Pool its existing State "A-7" Well No. 2 located at an unorthodox gas well location 1650 feet from the South and East lines of Section 7, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) A non-standard Eumont Gas Pool proration unit consisting of 158.9 acres comprising the N/2 S/2 of said Section 7 (authorized by Division Order No. R-4481) shall be simultaneously dedicated to the above described well and to the applicant's existing State "A-7" Well No. 1 located 1980 feet from the South and East lines (Unit I) of said Section 7.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

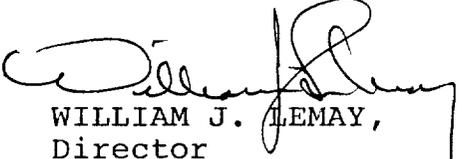
Page 3
Case No. 9280
Order No. R-8577

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY,
Director