



## STATE OF NEW MEXICO

August 11, 1989

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Re: CASE NO. 9705  
ORDER NO. R-3973

Applicant:  
Union Oil Company of  
California

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Florene Davidson

FLORENE DAVIDSON  
OC Staff Specialist

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other \_\_\_\_\_

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. 9705  
Order No. R-8973

APPLICATION OF UNION OIL COMPANY  
OF CALIFORNIA FOR AN UNORTHODOX  
GAS WELL LOCATION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 26, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 11th day of August, 1989, 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) Division Case Nos. 9704 and 9705 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Union Oil Company of California, seeks approval of an unorthodox gas well location 460 feet from the North line and 1980 feet from the East line (Unit B) of Section 29, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico, to test the Morrow formation, Un-

designated Gem-Morrow Gas Pool, the N/2 of said Section 29 to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

(4) The applicant presented evidence and testimony which indicates that the proposed unorthodox gas well location is necessitated by a combination of topographic (archaeological) and geologic considerations.

(5) A well at the proposed location will better enable the applicant to drill and produce the gas underlying the proposed proration unit.

(6) The subject well is located within the boundaries of the applicant's Maduro Unit, and the affected offset acreage to the north is currently operated by the applicant.

(7) No other offset operator 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 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) The applicant, Union Oil Company of California, is hereby authorized to drill a well at an unorthodox gas well location 460 feet from the North line and 1980 feet from the East line (Unit B) of Section 29, Township 19 South, Range 33 East, NMPM, to test the Morrow formation, Undesignated Gem-Morrow Gas Pool, Lea County, New Mexico.

(2) The N/2 of said Section 29 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for said pool.


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(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



WILLIAM J. LEMAY  
Director