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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. 6360
Order No. R-5849

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A NON-STANDARD GAS
PRORATION UNIT AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 25, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of November, 1978, 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 the applicant, Continental Oil Company, seeks approval of a 228-acre non-standard gas proration unit comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, NMPM, to be dedicated to its Lockhart A-18 Wells Nos. 3 and 4, located in Units K and M, respectively, of said Section 18.
- (3) That the entire non-standard proration unit may reasonably be presumed productive of gas from the Eumont Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid wells.
- (4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable

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share of the gas in the Eumont Gas 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.

(5) That Administrative Order No. NSP-604, which previously approved the aforesaid unit to be dedicated to the above-described Well No. 3 only, should be superseded.

IT IS THEREFORE ORDERED:

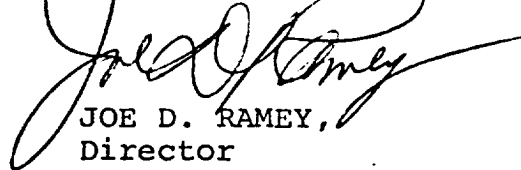
(1) That a 228-acre non-standard gas proration unit in the Eumont Gas Pool comprising the SW/4 and S/2 SE/4 of Section 18, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to its Lockhart A-18 Wells Nos. 3 and 4, located in Units K and M, respectively, of said Section 18.

(2) That Administrative Order No. NSP-604 is hereby superseded.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

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