

ed

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. 6570
Order No. R-5849-A

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A NON-STANDARD 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 June 13, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of June, 1979, 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
authority for a previously approved 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 simultaneously
dedicated to its Lockhart A-18 Wells Nos. 2, 3, and 4, located
in Units O, K, and M, respectively, of said Section 18.

(3) That the Division approved said 228-acre non-standard
proration unit by Division Order No. R-5849 and authorized the
simultaneous dedication of said unit to the aforesaid Lockhart
A-18 Wells Nos. 3 and 4.

(4) That approval of the subject application will afford
the applicant the opportunity to produce his just and equitable
share of the gas in the Eumont Gas Pool, will prevent the eco-
nomic loss caused by the drilling of unnecessary wells, avoid
the augmentation of risk arising from the drilling of an exces-
sive number of wells, and will otherwise prevent waste and
protect correlative rights.

-2-

Case No. 6570

Order No. R-5849-A

IT IS THEREFORE ORDERED:

(1) That Order (1) of Division Order No. R-5849 is hereby amended to read in its entirety as follows:

"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 simultaneously dedicated to the Continental Oil Company Lockhart A-18 Wells Nos. 2, 3, and 4, located in Units O, K, and M, respectively, of said Section 18."

(2) 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

S E A L

fd/

8/18/6