

Entered September 11, 1980

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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. 7000
Order No. R-6470

APPLICATION OF CAVALCADE OIL
CORPORATION FOR AN UNORTHODOX
OIL WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 3, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of September, 1980, 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, Cavalcade Oil Corporation, seeks approval of an unorthodox oil well location of its McClay Well No. 11 located 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East, NMPM, Benson Queen-Grayburg Pool, Eddy County, New Mexico.

(3) That the NE/4 SW/4 of said Section 33 is to be dedicated to the well.

(4) That said well was drilled at what was thought to be an orthodox location but which was discovered to be 75 feet too far north following a resurvey after the well was drilled.

(5) That no offset operator objected to the proposed unorthodox location.

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(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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:

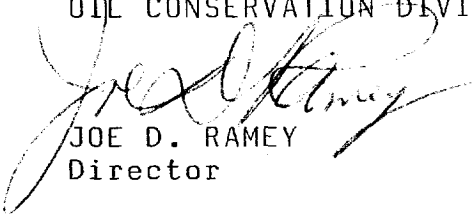
(1) That an unorthodox oil well location is hereby approved for the Cavalcade Oil Corporation McClay Well No. 11 located at a point 2385 feet from the South line and 1834 feet from the West line of Section 33, Township 18 South, Range 30 East, NMPM, Benson Queen-Grayburg Pool, Eddy County, New Mexico.

(2) That the NE/4 SW/4 of said Section 33 shall be dedicated to the above-described well.

(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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