

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4564
Order No. R-4166

APPLICATION OF PENROC OIL
CORPORATION FOR A NON-STANDARD
OIL PRORATION UNIT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 30, 1971, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 7th day of July, 1971, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Penroc Oil Corporation, is the owner and operator of the SW/4 NE/4 and NW/4 SE/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks approval of an 80-acre non-standard oil proration unit in the Hobbs-Drinkard Pool comprising the SW/4 NE/4 and NW/4 SE/4 of said Section 33, to be dedicated to its Conoco-State Well No. 1 located 1980 feet from the North line and 2130 feet from the East line of said Section 33.
- (4) That the proposed non-standard proration unit can be efficiently and economically drained and developed by the subject well.

(5) That approval of the subject application 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 otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an 80-acre non-standard oil proration unit in the Hobbs-Drinkard Pool comprising the SW/4 NE/4 and NW/4 SE/4 of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to Penroc Oil Corporation's Conoco-State Well No. 1 located 1980 feet from the North line and 2130 feet from the East line of said Section 33.

(2) That this order shall become effective the date the Hobbs District Office of the Commission is notified that the above-described well has a casinghead gas connection.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

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