



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION

TONY ANAYA
 GOVERNOR

January 9, 1984

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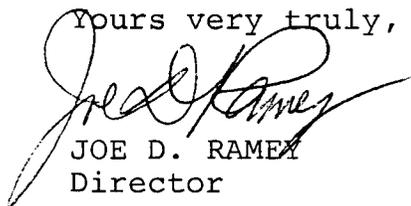
Re: CASE NO. 7295
 ORDER NO. P-7421

Applicant:
TXO Production Company

Dear Sir:

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

Yours very truly,



JOE D. RAMEY
 Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
 Artesia OCD x
 Aztec OCD

Other Tom Kellahin

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. 7895
Order No. R-7421

APPLICATION OF TXO PRODUCTION
COMPANY FOR AN UNORTHODOX LOCATION
AND A NON-STANDARD PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 8, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of January, 1984, 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, TXO Production Company, seeks approval of an 80-acre non-standard oil proration unit comprising the E/2 NW/4 of Section 17, Township 10 South, Range 34 East, NMPM, to be dedicated to a well to be drilled at an unorthodox location 650 feet from the North line and 2615 feet from the West line of said Section 17.

(3) That the entire non-standard proration unit may reasonably be presumed productive of oil from the Vada-Pennsylvanian Pool and that the entire non-standard oil proration unit can be efficiently and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Vada-Pennsylvanian 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 80-acre non-standard oil proration unit in the Vada-Pennsylvanian Pool comprising the E/2 NW/4 of Section 17, Township 10 South, Range 34 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled at an unorthodox location 650 feet from the North line and 2615 feet from the West line of said Section 17.

(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
JOE D. RAMEY,
Director