

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9728
Order No. R-8992

APPLICATION OF CONOCO INC. FOR
AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 23, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of August, 1989, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Conoco Inc., seeks approval of an unorthodox oil well location for its proposed West Knowles Well No. 11 to be drilled 660 feet from the South line and 330 feet from the East line (Unit P) of Section 34, Township 16 South, Range 37 East, NMPM, Undesignated Casey-Strawn Pool or Undesignated Shipp-Strawn Pool, Lea County, New Mexico, the S/2 SE/4 of said Section 34 to be dedicated to the subject well forming a standard 80-acre spacing and proration unit for said pool(s).

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(3) The subject well is located within one mile of the outer boundaries of both the Casey-Strawn Pool and the Shipp-Strawn Pool, which are both currently governed by Special Rules and Regulations as promulgated by Division Order Nos. R-4992 and R-8062-A, respectively, and both of which require 80-acre spacing and proration units with wells to be located within 150 feet of the center of either quarter-quarter section or lot.

(4) The applicant presented geologic evidence and testimony which indicates that a well drilled at the proposed location should penetrate the Strawn formation at a more structurally advantageous position and in an area of greater porosity development than a well drilled at a standard location thereon, thereby increasing the likelihood of obtaining commercial production.

(5) The evidence further indicates that the affected offset acreage to the east is owned by the applicant.

(6) No other offset operator or interest owner appeared and objected to the proposed unorthodox location.

(7) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in either of the subject pools, 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 THAT:

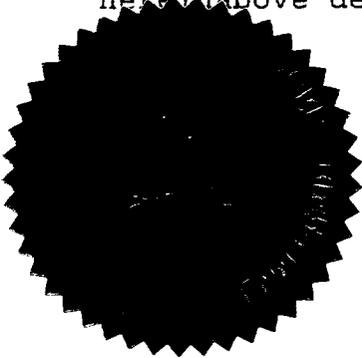
(1) The applicant, Conoco Inc., is hereby authorized to drill its West Knowles Well No. 11 at an unorthodox oil well location 660 feet from the South line and 330 feet from the East line (Unit P) of Section 34, Township 16 South, Range 37 East, NMPM, Undesignated Casey-Strawn Pool or Undesignated Shipp-Strawn Pool, Lea County, New Mexico.

(2) The S/2 SE/4 of said Section 34 shall be dedicated to the above-described well forming a standard 80-acre spacing and proration unit for said pool(s).

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(3) 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



WILLIAM J. LEMAY
Director

