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. 8202 Order No. R-7559

APPLICATION OF GETTY OIL COMPANY FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on June 6, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of June, 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, Getty Oil Company, seeks approval of an unorthodox gas well location 1320 feet from the South line and 660 feet from the West line of Section 32, Township 21 South, Range 24 East, NMPM, to test the Pennsylvanian formation, Eddy County, New Mexico.

(3) That all of said Section 32 is to be dedicated to the well in the Upper Pennsylvanian and Morrow formations.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected pools, will prevent the -2-Case No. 8202 Order No. R-7559

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 the application of Getty Oil Company for an uncrthodox gas well location for the Pennsylvanian formation is hereby approved for a well to be located at a point 1320 feet from the South line and 660 feet from the West line of Section 32, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico.

(2) That all of said Section 32 shall be dedicated to the above-described well in the Upper Pennsylvanian and Morrow formations.

(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 hereinshove designated.

STATE OF NEW MEXICO

JOE D. ŔAMEY

Director