

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. 8500
Order No. R-7840

APPLICATION OF PENNZOIL COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 27, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of March, 1985, 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, Pennzoil Company, seeks approval of an unorthodox gas well location for its Mescalero Federal "30" Well No. 1 to be drilled 510 feet from the South line and 990 feet from the East line (Unit P) of Section 30, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, to test various formations from the top of the Queen formation to the base of the Pennsylvanian formation.
- (3) The SW/4 of said Section 30 is to be dedicated to said well if the gas production is subject to 160-acre spacing and the S/2 of said Section 30 is to be dedicated to said well if the gas production is subject to 320-acre spacing.
- (4) The proposed unorthodox location is necessitated for topographic reasons and to avoid an archaeological site.
- (5) No offset operator objected to the proposed unorthodox location.

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected formations, 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.

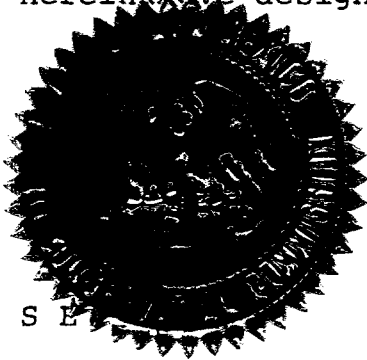
IT IS THEREFORE ORDERED THAT:

(1) The application of Pennzoil Company for an unorthodox gas well location is hereby approved for its Mescalero Federal "30" Well No. 1 to be located at a point 510 feet from the South line and 990 feet from the East line (Unit P) of Section 30, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, to test various formations from the top of the Queen formation to the base of the Pennsylvanian formation.

(2) The SW/4 of said Section 30 shall be dedicated to the above-described well if the gas production is subject to 160-acre spacing and the S/2 of said Section 30 shall be dedicated to said well if the gas production is subject to 320-acre spacing.

(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.



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A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS,
Director