



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

August 21, 1985

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Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 8663
ORDER NO. R-3014

Applicant:

Rio Pecos Corporation

Dear Sir:

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

Sincerely,

Sincerely,
B. L. Ham

R. L. STAMETS
Director

RLS / fd

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other _____

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. 8663
Order No. R-8014

APPLICATION OF RIO PECOS CORPORATION
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 a.m. on July 31, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 20th day of August, 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, Rio Pecos Corporation, seeks approval of an unorthodox oil well location 1470 feet from the North line and 660 feet from the West line of Section 27, Township 16 South, Range 37 East, NMPM, to test the Strawn formation, Casey-Strawn Pool, Lea County, New Mexico.
- (3) The subject proration unit was redesignated from the Casey-Strawn Pool to the Northeast Lovington-Pennsylvanian Pool in Case 8670 also heard on July 31, 1985.
- (4) The Casey-Strawn Pool and the Northeast Lovington-Pennsylvanian Pool have the same special pool rules; therefore the redesignation should not affect the applicant's request for an unorthodox location.

(5) This order should reflect the pool designation change made by the Division in Case No. 8670.

(6) The S/2 NW/4 of said Section 27 is to be dedicated to the well.

(7) A well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.

(8) No offset operator objected to the proposed unorthodox location.

(9) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected 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.

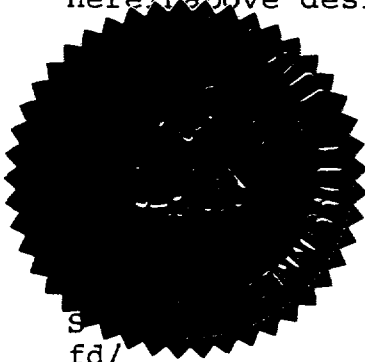
IT IS THEREFORE ORDERED THAT:

(1) The application of Rio Pecos Corporation for an unorthodox oil well location for the Northeast Lovington-Pennsylvanian Pool is hereby approved for a well to be at a point 1470 feet from the North line and 660 feet from the West line of Section 27, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The S/2 NW/4 of said Section 27 shall be dedicated to the above-described well.

(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 hereinafter designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. STAMETS
Director

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fd/