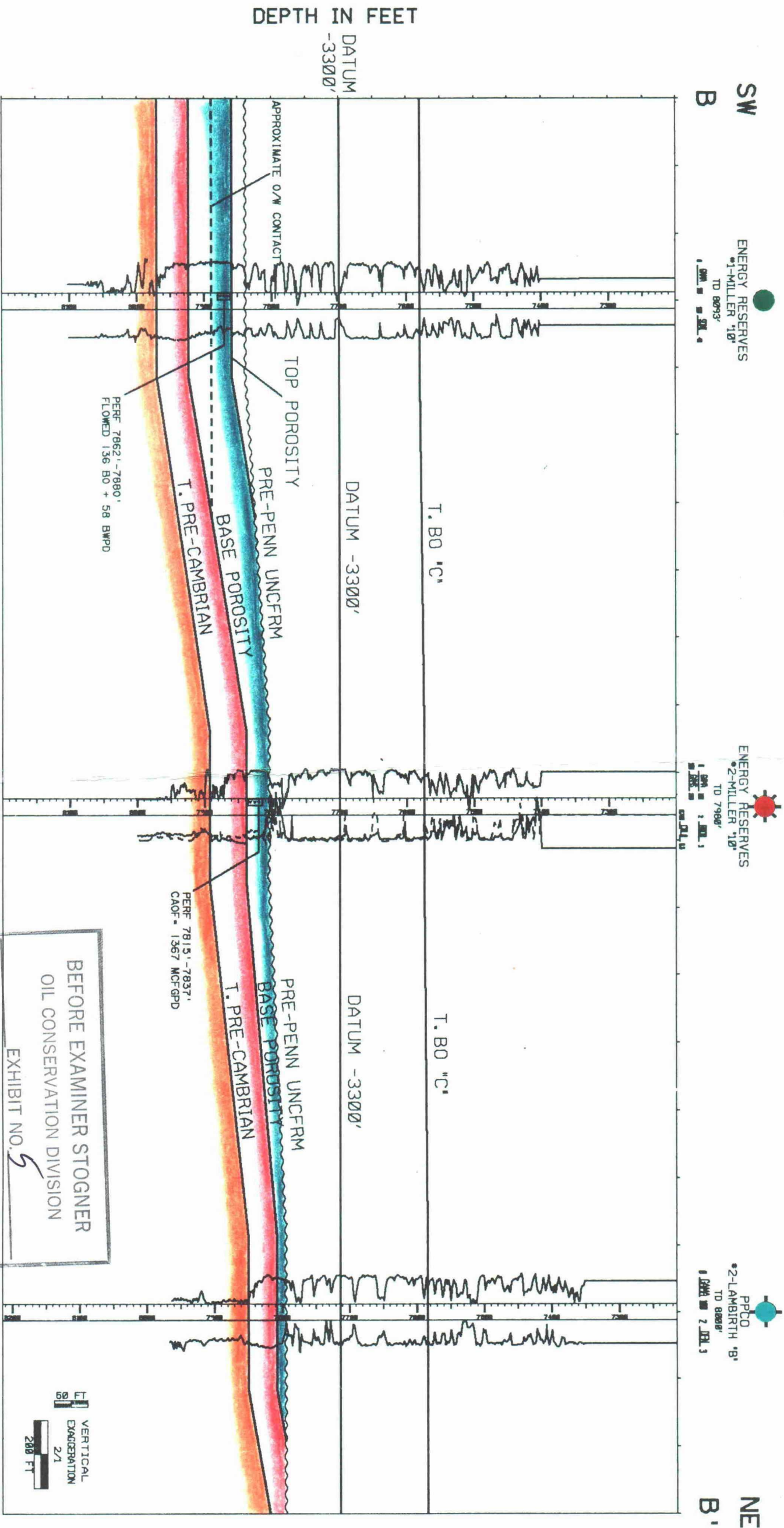


FIG. 5- STRUCTURAL X-SECTION S. PETERSON FIELD



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. 9115
Order No. R-8434

APPLICATION OF LONG TRUSTS FOR
AN UNORTHODOX OIL WELL LOCATION
AND A NON-STANDARD OIL PRORATION
UNIT, ROOSEVELT COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 8, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 17th day of April, 1987, 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) By Order No. R-5771, as amended, the Division promulgated Special Rules and Regulations for the South Peterson-Fusselman Pool, Roosevelt County, New Mexico, including a provision for 80-acre spacing and proration units consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section with wells to be located within 150 feet of the center of either quarter-quarter section or lot.

(3) The applicant, Long Trusts, seeks approval of a 93.90-acre non-standard oil proration unit comprising Lots 1 and 2 of Irregular Section 3, Township 6 South, Range 33 East, NMPM, South Peterson-Fusselman Pool, Roosevelt County, New Mexico, to be dedicated to a well to be drilled at an unorthodox oil well location 900 feet from the North line and 1650 feet from the East line of said Section 3.

(4) The entire non-standard oil proration unit may reasonably be presumed productive of oil from the South Peterson-Fusselman Pool and the entire unit can be efficiently and economically drained and developed by the aforesaid well located at the unorthodox location.

(5) No offset operator objected to this application.

(6) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the South Peterson-Fusselman 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 Long Trusts for an exception to the Special Rules for the South Peterson-Fusselman Pool as promulgated by Division Order No. R-5771, as amended, is hereby granted and a 93.90-acre non-standard oil proration unit in the South Peterson-Fusselman Pool comprising Lots 1 and 2 of Irregular Section 3, Township 6 South, Range 33 East, NMPM, Roosevelt County, New Mexico, is hereby established and dedicated to a well to be drilled at an unorthodox oil well location 900 feet from the North line and 1650 feet from the East line of said Section 3.

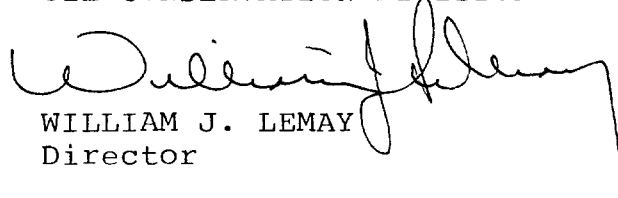
(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director