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May 25, 1988

HAND DELIVERED

Honorable Michael Stogner, Examiner  
New Mexico Oil Conservation Division  
State Land Office Building  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Re: Application of Standard Oil Production Company for  
Unorthodox Well Location, Lea County, New Mexico  
Case No. 9386

Dear Mike:

Enclosed is a proposed order on the above application which  
was heard today. If the order needs more substance or other  
changes, please give me a call.

I appreciate your courtesy.

Very truly yours,

J. Scott Hall

JSH/dmg  
encl.

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. 9386  
Order No.

APPLICATION OF STANDARD OIL PRODUCTION  
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 8:15 a.m. on May 25, 1988 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

Now, on this \_\_\_\_ day of May, 1988, 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, Standard Oil Production Company seeks approval to drill a well from a surface location 1060 feet from the East line and 1300 feet from the North line in the N/2 NE/4 of Section 36, Township 16 South, Range 7 East, N.M.P.M., Lea County, New Mexico to a non-standard bottomhole location in the Shipp-Strawn Pool within 150 feet of a target point of 1090 feet from the North line and 1180 feet from the East line (Unit A) of

said Section 36. The well is proposed to test the Shipp-Strawn Pool with the N/2 NE/4 of said Section 36 to be dedicated to the well forming a standard 80 acre proration and spacing unit.

3. No offset operator or owner of an unleased mineral interest objected to the proposed unorthodox gas well location.

4. Approval of the subject Application will afford the Applicant the opportunity to produce its just and equitable share of the gas 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 Standard Oil Production Company to drill a well from a surface location 1300 feet from the North line and 1060 feet from the East line of Section 36, Township 26 South, Range 27 East, to a non-standard bottomhole location in the Shipp-Strawn Pool within 150 feet of a target point of 1090 feet from the North Line and 1180 feet from the East line (Unit A) of Section 36, Township 26 South, Range 37 East, N.M.P.M., Lea County, New Mexico is hereby approved.

2. The N/2 NE/4 of said Section 36 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 hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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Mr. Scott Hall  
Campbell & Black  
Attorneys at Law  
Post Office Box 2208  
Santa Fe, New Mexico

Re: CASE NO. 9386  
ORDER NO. R-3476

Applicant:

Standard Oil Production Company

Dear Sir:

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

Sincerely,

Florence Davidson

FLORENE DAVIDSON  
OC Staff Specialist

Copy of order also sent to:

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

Other \_\_\_\_\_