



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

December 23, 1986

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

Re: CASE NO. 9055
ORDER NO. R-3375

Applicant: Nearburg Producing Company

Dear Sir:

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

Sincerely,

B. L. Hunt

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. 9055
Order No. R-8375

APPLICATION OF NEARBURG PRODUCING COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 17, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of December, 1986, 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, Nearburg Producing Company, seeks approval of an unorthodox oil well location 1665 feet from the North line and 830 feet from the East line of Section 12, Township 17 South, Range 37 East, NMPM, to test the Strawn formation, Undesignated South Humble City-Strawn Pool, Lea County, New Mexico.

(3) The E/2 NE/4 of said Section 12 is to be dedicated to the well.

(4) Geophysical evidence presented by the applicant at the hearing indicated that a well at said unorthodox location would better enable the applicant to encounter the Strawn formation within the wellbore of the proposed well at a structurally advantageous position.

(5) The applicant has successfully utilized geophysical data previously in this area in the drilling of a commercial Strawn oil well.

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

(7) 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.

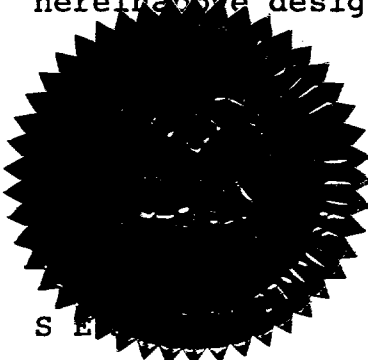
IT IS THEREFORE ORDERED THAT:

(1) The application of Nearburg Producing Company for an unorthodox oil well location for the Strawn formation is hereby approved for a well to be located at a point 1665 feet from the North line and 830 feet from the East line of Section 12, Township 17 South, Range 37 East, NMPM, Undesignated South Humble City-Strawn Pool, Lea County, New Mexico.

(2) The E/2 NE/4 of said Section 12 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

R. L. Stamets
R. L. STAMETS,
Director