

**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. 12078
Order No. R-11094**

**APPLICATION OF DAVID H. ARRINGTON OIL
& GAS INC. FOR AN UNORTHODOX WELL
LOCATION, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 5, 1998, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 19th day of November, 1998, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (2) The applicant, David H. Arrington Oil & Gas, Inc., seeks authority to drill its Prince Nymph Well No. 1 at an unorthodox oil well location 2446 feet from the South line and 1006 feet from the East line (Unit I) of Section 29, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico, to test the Wolfcamp and Strawn formations. The E/2 SE/4 of Section 29 is to be dedicated to the well forming a standard 80-acre oil spacing and proration unit.
- (3) At the hearing the applicant testified that its proposed Prince Nymph Well No. 1 is not located within or within one mile of a pool currently spaced on 80 acres and therefore requested that its proposed acreage dedication be amended to reflect a 40-acre dedication, the NE/4 SE/4 of Section 29.
- (4) The applicant presented geologic evidence and testimony indicating that:
 - a) the Prince Nymph Well No. 1 will be drilled to a depth sufficient to test the Strawn formation, however, the primary target in the well is the 2nd Brother "A" and "B" carbonate in the Wolfcamp formation;

- b) a well at the proposed unorthodox location will be located in an up-structure position within the reservoir above the projected oil-water contact in the 2nd Brother "B" carbonate; and
- c) a well at the proposed unorthodox location should encounter a thicker carbonate section within the 2nd Brother "A" and "B" carbonate intervals than a well drilled at a standard oil well location within the NE/4 SE/4 of Section 29, thereby increasing the likelihood of obtaining commercial oil production.

(5) The applicant notified all interest owners within the SE/4 NE/4 of Section 29, the affected offset acreage. No offset operator and/or interest owner appeared at the hearing in opposition to the application.

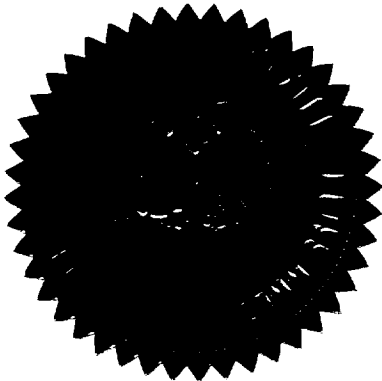
(6) Approval of this application will afford the applicant the opportunity to produce its just and equitable share of the oil in the Strawn and/or Wolfcamp formations and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, David H. Arrington Oil & Gas, Inc., is hereby authorized to drill its Prince Nymph Well No. 1 at an unorthodox oil well location 2446 feet from the South line and 1006 feet from the East line (Unit I) of Section 29, Township 15 South, Range 36 East, NMPM, Lea County, New Mexico, to test the Wolfcamp and Strawn formations. The NE/4 SE/4 of Section 29 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit.

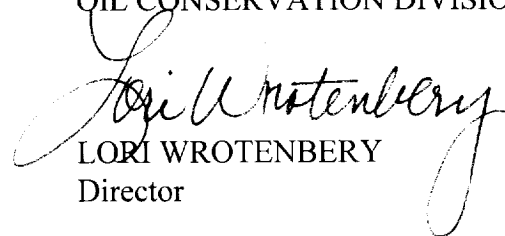
(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director