

Entered May 9, 1978
JGR

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. 6217
Order No. R-5724

APPLICATION OF HOLLY ENERGY, INC.
FOR AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 3, 1978,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of May, 1978, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

- (1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.
- (2) That the applicant, Holly Energy, Inc., seeks approval
of an unorthodox oil well location for its McIntyre B Well No. 4
to be drilled at a point 1300 feet from the South line and 330
feet from the West line of Section 20, Township 17 South, Range
30 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.
- (3) That the SW/4 SW/4 of said Section 20 is to be
dedicated to the well.
- (4) That a well at said unorthodox location will better
enable applicant to produce the oil underlying the proration unit.
- (5) That no offset operator objected to the proposed un-
orthodox location.
- (6) That approval of the subject application will afford
the applicant the opportunity to produce its just and equitable
share of the oil in the subject pool, will prevent the economic
loss caused by the drilling of unnecessary wells, avoid the

-2-

Case No. 6217
Order No. R-5724

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:

(1) That an unorthodox oil well location is hereby approved for the Holly Energy, Inc. McIntyre B Well No. 4 to be drilled at a point 1300 feet from the South line and 330 feet from the West line of Section 20, Township 17 South, Range 30 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

(2) That the SW/4 SW/4 of said Section 20 shall be dedicated to the above-described well.

(3) That 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


JOE D. RAMEY
Director

S E A L

fd/