

Entered May 2, 1979
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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. 6527
Order No. R-6000

APPLICATION OF TENNECO OIL
COMPANY FOR TWO NON-STANDARD OIL
PRORATION UNITS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 25, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 2nd day of May, 1979, 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, Tenneco Oil Company, seeks approval of two 80-acre non-standard oil proration units, the first comprising the N/2 NW/4, the other the N/2 NE/4, of Section 12, Township 9 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, said units to be dedicated to applicant's Ward Insall Wells Nos. 1 and 2, respectively, located in Units D and A of said Section 12.
- (3) That at the time of the hearing applicant requested that the application for an 80-acre non-standard oil proration unit comprising the N/2 NE/4 of said Section 12 to be dedicated to the Ward Insall Well No. 2 in Unit A be dismissed.
- (4) That the entire non-standard proration unit consisting of the N/2 NW/4 of said Section 12 may reasonably be presumed

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productive of oil from the Vada-Pennsylvanian Pool and that the entire non-standard oil proration unit can be efficiently and economically drained and developed by the aforesaid well.

(5) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Vada-Pennsylvanian 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:

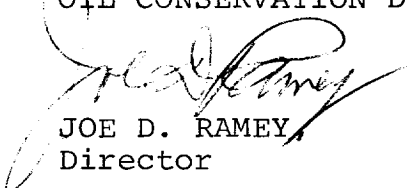
(1) That an 80-acre non-standard oil proration unit in the Vada-Pennsylvanian Pool comprising the N/2 NW/4 of Section 12, Township 9 South, Range 34 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to the Tenneco Oil Company Ward Insall Well No. 1 located in Unit D of said Section 12.

(2) That the application for an 80-acre non-standard oil proration unit in the Vada-Pennsylvanian Pool comprising the N/2 NE/4 of said Section 12 is hereby dismissed.

(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

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