

Entered May 15, 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. 6541
Order No. R-6011

APPLICATION OF SUN OIL COMPANY
FOR AN UNORTHODOX WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 9, 1979,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th 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, Sun Oil Company, seeks approval
of an unorthodox oil well location for its New Mexico State "H"
Well No. 17 to be drilled at a point 1328 feet from the North
line and 1336 feet from the East line of Section 16, Township 8
South, Range 30 East, NMPM, to test the San Andres formation,
Cato-San Andres Pool, Chaves County, New Mexico.

(3) That the SW/4 NE/4 of said Section 16 is to be dedi-
cated to the well.

(4) That the evidence presented demonstrates that the
existing well on the proration unit, namely the New Mexico State
"H" Well No. 7, located 1980 feet from the North line and 1980
feet from the East line of said Section 16, is not effectively
and efficiently draining the entire 40-acre proration unit, and
the drilling of the subject well, the New Mexico State "H" Well
No. 17 at the unorthodox location described above is necessary
to effectively and efficiently drain that portion of the unit
not being so drained by the existing well.

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(5) That the drilling of said Well No. 17 at the above location and the simultaneous dedication of said well to the unit should result in the production of additional oil and gas which would otherwise be left unrecovered, thus preventing waste, and should be approved as an exception to the standard well spacing requirements of the Cato-San Andres Pool.

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

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil and gas in the subject 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 unorthodox oil well location for the San Andres formation is hereby approved for the Sun Oil Company New Mexico State "H" Well No. 17 to be drilled at a point 1328 feet from the North line and 1336 feet from the East line of Section 16, Township 8 South, Range 30 East, NMPM, Cato-San Andres Pool, Chaves County, New Mexico.

(2) That the SW/4 NE/4 of said Section 16 shall be simultaneously dedicated to the above-described well and to applicant's New Mexico State "H" Well No. 7 located 1980 feet from the North line and 1980 feet from the East line of said Section 16.

(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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