

Entered August 16, 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. 6564  
Order No. R-6075

APPLICATION OF HERNDON OIL & GAS CO.  
FOR AN UNORTHODOX OIL WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 13 and July 25, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of August, 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, Herndon Oil & Gas Co., seeks approval for the unorthodox oil well location of its O. A. Woody Well No. 1 to be drilled at a point 2310 feet from the North line and 330 feet from the West line of Section 35, Township 16 South, Range 38 East, NMPM, to test the Devonian formation, Knowles-Devonian Pool, Lea County, New Mexico.

(3) That the W/2 NW/4 of said Section 35 is to be dedicated to the well.

(4) That said unorthodox location will enable the applicant to drill the subject well outside the perimeter of a circular sprinkler system with which the landowner irrigates the NW/4 of Section 35, and the landowner has waived objection to said location.

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(5) That the offset operator has waived objection to the proposed unorthodox location provided certain conditions are met and certain limitations placed on production from the proposed well.

(6) That approval of the subject application will protect the interests of the landowner, 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 Devonian formation is hereby approved for the Herndon Oil & Gas Co. O. A. Woody Well No. 1 to be drilled at a point 2310 feet from the North line and 330 feet from the West line of Section 35, Township 16 South, Range 38 East, NMPM, Knowles-Devonian Pool, Lea County, New Mexico.

(2) That the W/2 NW/4 of said Section 35 shall be dedicated to the above-described well.

(3) That if said well is to be completed as a producer, the operator shall conduct a directional survey of said well after reaching total depth and shall cause a copy of said survey to be filed with Amerada Hess Corporation, Seminole, Texas, and with the Santa Fe office of the Oil Conservation Division.

(4) That should said well be completed as a producer, it shall be subject to top unit allowable for the Knowles-Devonian Pool, or to a production limitation of 100 barrels of oil per day plus 50 percent of its initial potential greater than 100 barrels of oil per day, whichever is less.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

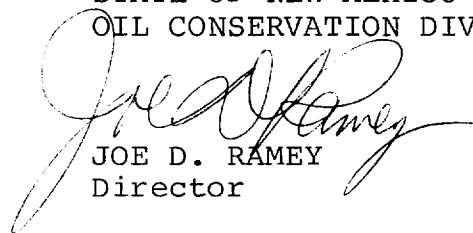
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DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY  
Director

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