

Entered October 10, 1979
JLR

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. 6609
Order No. R-6129

APPLICATION OF NAPECO INC. FOR
POOL CREATION AND SPECIAL RULES,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

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

NOW, on this 10th day of October, 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, Napeco Inc., seeks the creation
of a new pool for Strawn production, said pool having been
discovered by applicant's Benson Deep Unit Well No. 1, located
in Unit 0 of Section 33, Township 18 South, Range 30 East, NMPM,
Eddy County, New Mexico, which well was completed in the Strawn
formation on May 9, 1979, with an initial potential of 104
barrels of oil per day from perforations 10,648 feet to 10,718
feet.

(3) That the applicant further seeks the promulgation of
special rules for said pool, including provision for 160-acre
spacing and proration units and standard well locations.

(4) That the applicant has failed to establish that one
well can efficiently and effectively drain 160 acres.

(5) That the evidence adduced at the hearing would indicate
that the Strawn formation in the subject well is of poor permea-
bility, and that approval of 160-acre spacing, even on a temporary
basis, might cause waste.

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(6) That the creation of a new oil pool for the subject well should be handled in a regular nomenclature case by the Division.

(7) That the application in the subject case should be denied.

IT IS THEREFORE ORDERED:

(1) That the application of Napeco Inc. for creation of a new oil pool for Strawn production and the promulgation of special rules therefor, including a provision for 160-acre spacing and proration units and standard well locations, is hereby denied.

(2) 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

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