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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. 6696 Order No. R-6162

APPLICATION OF R. Q. SILVERTHORNE 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 October 17, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>2nd</u> day of November, 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, R. Q. Silverthorne, seeks approval of an unorthodox oil well location for his Kenwood Well No. 6, to be drilled at a point 1310 feet from the South line and 1310 feet from the West line of Section 30, Township 18 South, Range 31 East, NMPM, to test the Yates formation, Shugart Pool, Eddy County, New Mexico.

(3) That the SW/4 SW/4 of said Section 30 is to be dedicated to the well.

(4) That a well at said unorthodox location will better enable applicant to produce the oil and gas underlying the proration unit.

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

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(6) 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 Yates formation is hereby approved for the R. Q. Silverthorne Kenwood Well No. 6 to be drilled at a point 1310 feet from the South line and 1310 feet from the West line of Section 30, Township 18 South, Range 31 East, NMPM, Shugart Pool, Eddy County, New Mexico.

(2) That the SW/4 SW/4 of said Section 30 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 M.A Tilly JOE D. RAMEY Director

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