

Entered April 15, 1980
JHR

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. 6862
Order No. R-6318

APPLICATION OF ARCO OIL AND GAS COMPANY
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 April 9, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of April, 1980, 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, ARCO Oil and Gas Company, seeks approval of an unorthodox oil well location for its State 157 "D" Well No. 11 drilled at a point 2123 feet from the South line and 1644 feet from the East line of Section 12, Township 22 South, Range 36 East, NMPM, Drinkard Pool, Lea County, New Mexico.
- (3) That the NW/4 SE/4 of said Section 12 is to be dedicated to the well.
- (4) That due to an error in surveying, the subject well was drilled six feet closer to the proration unit boundary than is permitted by the Division Rules and Regulations.
- (5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 6862
Order No. R-6318

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil 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 Drinkard formation is hereby approved for the ARCO Oil and Gas Company State 157 "D" Well No. 11 drilled at a point 2123 feet from the South line and 1644 feet from the East line of Section 12, Township 22 South, Range 36 East, NMPM, Drinkard Pool, Lea County, New Mexico.

(2) That the NW/4 SE/4 of said Section 12 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



JOE D. RAMEY
Director

S E A L

fd/