

Entered November 25, 1980
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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. 6982
Order No. R-6523

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION ON
ITS OWN MOTION TO PERMIT AMINOIL,
USA, TO APPEAR AND SHOW CAUSE WHY
ITS 1980 PLAN OF OPERATION/DEVELOPMENT
FOR ITS WILLOW LAKE UNIT AREA, EDDY
COUNTY, NEW MEXICO, SHOULD NOT BE
DISAPPROVED.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 6, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of November, 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 Aminoil, USA, is the operator of the Willow Lake
Unit Area, comprising some 4800 acres, more or less, of State,
Federal, and fee lands in Township 24 South, Range 28 East, NMPM,
Eddy County, New Mexico.
- (3) That as unit operator of said unit area, and in
accordance with the provisions of the Willow Lake Unit Agreement,
Aminoil, USA, in April, 1980, submitted to the Division for
approval its 1980 Plan of Operation/Development.
- (4) That said plan called for the drilling of an additional
well in the Unit Area during 1980, said well to be designated
Willow Lake Unit Well No. 4, to be located in the Southwest

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quarter of Section 14, Township 24 South, Range 28 East, NMPM, and have dedicated thereto the W/2 of said Section 14.

(5) That the drilling of said well, according to the record, would be contingent upon agreement between the unit operator and the owner of the NW/4 of said Section 14 to form a standard gas spacing and proration unit comprising the W/2 of Section 14.

(6) That the unit operator does not appear to be able to come to such agreement with the owner of the NW/4 of said Section 14, and thus the April, 1980 plan of operation/development apparently will not result in the drilling of any well in the Willow Lake Unit Area during 1980.

(7) That Felton W. Courtney is a lessor of lands situate in the N/2 of Section 23, Township 24 South, Range 28 East, NMPM, leased to Burmah Oil and Gas Company (now Aminoil, USA) which lands are committed to the Willow Lake Unit Agreement.

(8) That said Felton W. Courtney appeared at the hearing and objected to the April 1980 Plan of Operation/Development submitted by Aminoil, USA.

(9) That Aminoil, USA, has withdrawn its April plan and in October, 1980, submitted an alternate Plan of Operation/Development for 1980 for the Willow Lake Unit Area.

(10) That said new plan includes the drilling of an Atoka-Strawn-Morrow test well in the NE/4 of Section 23, Township 24 South, Range 28 East, NMPM, to which the N/2 of Section 23 would be dedicated.

(11) That said well would be known as the Maddox well and would be on lands not committed to the unit area and would be drilled by a non-participant to the unit agreement, but some 40.625 percent of the lands dedicated to the well would be unitized lands.

(12) That upon consideration by each of the Willow Lake Unit Participants, the Willow Lake Unit has decided to commit its entire interest in said proration unit to the drilling of the Maddox well.

(13) That the lands owned by Felton W. Courtney would be dedicated to the Maddox well.

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(14) That the alternate 1980 Plan of Operation/Development submitted by Aminoil, USA, in October, 1980, is acceptable and should be approved.

(15) That a satisfactory plan of operation/development having been submitted, Case No. 6982 should be dismissed.

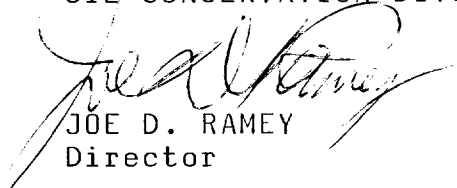
IT IS THEREFORE ORDERED:

(1) That Case No. 6982 is hereby dismissed.

(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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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