

Entered November 30, 1981  
JMR

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. 7420  
Order No. R-6842

APPLICATION OF SOUTHLAND ROYALTY COMPANY  
FOR TWO UNORTHODOX OIL WELL LOCATIONS,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 19, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of November, 1981, 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, Southland Royalty Company, seeks approval for the unorthodox location of two previously drilled wells, the first being 760 feet from the South line and 660 feet from the East line of Section 5, the other being 660 feet from the North line and 660 feet from the West line of Section 9, both in Township 19 South, Range 35 East, NMPM, both to be plugged back to the Scharb-Bone Spring Pool, Lea County, New Mexico.

(3) That the S/2 SE/4 of said Section 5 and the N/2 NW/4 of Section 9, respectively, are to be dedicated to the wells.

(4) That wells at said unorthodox locations will better enable applicant to produce the oil underlying the proration units.



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

(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 Southland Royalty Company is hereby granted approval for the unorthodox location of two previously drilled wells, the first being 760 feet from the South line and 660 feet from the East line of Section 5, the other being 660 feet from the North line and 660 feet from the West line of Section 9, both in Township 19 South, Range 35 East, NMPM, both to be plugged back to the Scharb-Bone Spring Pool, Lea County, New Mexico.

(2) That the S/2 SE/4 of said Section 5 and the N/2 NW/4 of Section 9, respectively, 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. PAMEY,  
Director

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