Entered February 21, 1983 JAR

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. 7795 Order No. R-7214

APPLICATION OF SLAYTON OIL CORPORATION FOR AN UNORTHODOX LOCATION, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 16, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>21st</u> day of February, 1983, 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, Slayton Oil Corporation, seeks approval of an unorthodox oil well location 2,290 feet from the North line and 1,825 feet from the East line of Section 20, Township 29 North, Range 14 West, NMPM, in the Cha Cha-Gallup Oil Pool, San Juan County, New Mexico.

(3) That the W/2 NE/4 of said Section 20 is to be dedicated to the well.

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

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

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable

-2-Case No. 7795 Order No. R-7214

share of the 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 the application of Slayton Oil Corporation for an unorthodox oil well location is hereby approved for a well to be located at a point 2,290 feet from the North line and 1,825 feet from the East line of Section 20, Township 29 North, Range 14 West, NMPM, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico.

(2) That the W/2 NE/4 of said Section 20 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 OLL CONSERVATION DIVISION this JOE D. RAMEY, Director

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1