

Entered November 15, 1983
JER

161

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. 7997
Order No. R-7387

APPLICATION OF GULF OIL EXPLORATION AND
PRODUCTION 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 November 9, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 15th day of November, 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, Gulf Oil Exploration and Production Company, seeks approval of an unorthodox oil well location for its Lea "TZ" State Well No. 3 located 461 feet from the North line and 1880 feet from the East line of Section 16, Township 19 South, Range 35 East, NMPM, Scharb-Bone Spring Pool, Lea County, New Mexico.

(3) That the N/2 NE/4 of said Section 16 is to be dedicated to the well.

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

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

-2-

Case No. 7997

Order No. R-7387

(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 affected 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:

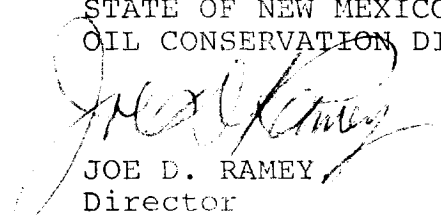
(1) That the application of Gulf Oil Exploration and Production Company for an unorthodox oil well location is hereby approved for the Lea "TZ" State Well No. 3 located at a point 461 feet from the North line and 1880 feet from the East line of Section 16, Township 19 South, Range 35 East, NMPM, Scharb-Bone Spring Pool, Lea County, New Mexico.

(2) That the N/2 NE/4 of said Section 16 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