

Received September 21, 1984

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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. 8335
Order No. R-7671

APPLICATION OF HILLIARD OIL COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION,
CHAVES COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on September 5, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 21st day of September, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Hilliard Oil Company, seeks approval of an unorthodox oil well location 1980 feet from the South line and 460 feet from the West line of Section 26, Township 15 South, Range 30 East, NMPM, to test the Strawn formation, Cedar Point-Strawn Pool, Chaves County, New Mexico.

(3) Said location is in the NW/4 SW/4 of said section and requires an exception to Rule 4 of Division Order No. R-7364-A.

(4) The W/2 SW/4 of said Section 26 is to be dedicated to the well.

(5) A well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.

(6) No offset operator objected to the proposed unorthodox location.

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(7) 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 THAT:

(1) The application of Hilliard Oil Company for an unorthodox oil well location for the Strawn formation is hereby approved for a well to be located at a point 1980 feet from the South line and 460 feet from the West line of Section 26, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico.

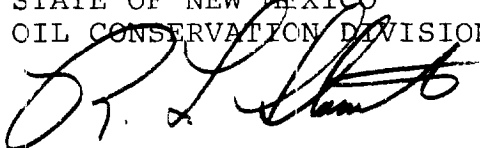
(2) Said location is granted an exception from Rule 4 of the Special Rules for the Cedar Strawn Pool as set forth in Division Order No. R-7364-A.

(3) That the W/2 SW/4 of said Section 26 shall be dedicated to the above-described well.

(4) 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


R. L. STAMETS,
Acting Director

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