

Entered Sept. 6th 28, 1984

RLH

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. 8273
Order No. R-7674

APPLICATION OF BLANKS ENERGY
CORPORATION FOR AN UNORTHODOX OIL
WELL LOCATION, LEA COUNTY, NEW
MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on July 25, 1984, August 22, 1984 and September 19, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th 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) Division Case No. 8274 was consolidated with this case at the July 25, 1984, hearing for the purpose of testimony.

(3) The applicant, Blanks Energy Corporation, seeks approval of an unorthodox oil well location for its Arco State Well No. 2 to be located 450 feet from the South line and 1850 feet from the East line of Section 16, Township 18 South, Range 35 East, NMPM, South Vacuum-Devonian Pool, Lea County, New Mexico.

(4) The W/2 SE/4 of said Section 16 is to be dedicated to the well.

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

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

(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:

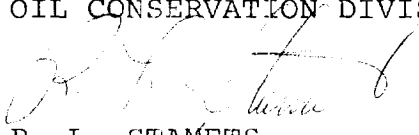
(1) The application of Blanks Energy Corporation for an unorthodox oil well location is hereby approved for its Arco State Well No. 2 to be located at a point 450 feet from the South line and 1850 feet from the East line of Section 16, Township 18 South, Range 35 East, NMPM, South Vacuum-Devonian Pool, Lea County, New Mexico.

(2) The W/2 SE/4 of said Section 16 shall be dedicated to the above-described well.

(3) 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

S E A L