

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. 8325
Order No. R-7695

APPLICATION OF MARBOB ENERGY
CORPORATION FOR TWO UNORTHODOX
WELL LOCATIONS, EDDY 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 5th day of October, 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, Marbob Energy Corporation, seeks approval of two unorthodox oil well locations, one of which is to be located 1350 feet from the North line and 330 feet from the East line and another to be located 100 feet from the North line and 330 feet from the East line of Section 22, Township 17 South, Range 29 East, to test the Grayburg-San Andres formation, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

(3) The SE/4 NE/4 and NE/4 NE/4, respectively, of said Section 22 are to be dedicated to the wells.

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

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

-2-

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(6) 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:

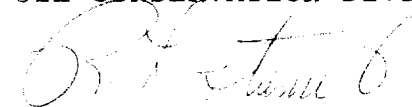
(1) The application of Marbob Energy Corporation for two unorthodox oil well locations for the Grayburg-San Andres formation is hereby approved for two wells, one to be located 1350 feet from the North line and 330 feet from the East line and another to be located 100 feet from the North line and 330 feet from the East line of Section 22, Township 17 South, Range 29 East, NMPM, Grayburg Jackson Pool, NMPM, Eddy County, New Mexico.

(2) The SE/4 NE/4 and the NE/4 NE/4, respectively, of said Section 22 shall be dedicated to the above-described wells.

(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

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