

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. 8327
Order No. R-7697

APPLICATION OF MARBOB ENERGY
CORPORATION FOR AN UNORTHODOX
WELL LOCATION, 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 an unorthodox oil well location 1295 feet from the South line and 1650 feet from the East line of Section 22, Township 17 South, Range 28 East, NMPM, to test the Grayburg-San Andres formation, Red Lake Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.

(3) The SW/4 SE/4 of said Section 22 is to be dedicated to the well.

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

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

(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:

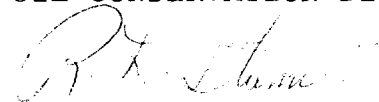
(1) The application of Marbob Energy Corporation for an unorthodox oil well location for the Grayburg-San Andres formation is hereby approved for a well to be located at a point 1295 feet from the South line and 1650 feet from the East line of Section 22, Township 17 South, Range 28 East, NMPM, Red Lake Queen-Grayburg San Andres Pool, Eddy County, New Mexico.

(2) The SW/4 SE/4 of said Section 2 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

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