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. 8384 Order No. R-7735

APPLICATION OF J. M. HUBER 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 October 17, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this <u>29th</u> day of November, 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, J. M. Huber Corporation, seeks approval of an unorthodox oil well location 660 feet from the South line and 660 feet from the West line of Section 32, Township 12 South, Range 36 East, NMPM, to test the Wolfcamp formation, Tatum-Wolfcamp Pool, Lea County, New Mexico.

(3) At the time of the hearing, the applicant requested and received approval to amend the application for a less unorthodox location 669 feet from the South line and 1326 feet from the West line of said Section 32.

(4) The S/2 SW/4 of said Section 32 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.

-2-Case No. 8384 Order No. <u>R</u>-7735

(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(s), 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 J. M. Huber Corporation for an unorthodox oil well location for the Wolfcamp formation is hereby approved for a well to be located at a point 669 feet from the South line and 1326 feet from the West line of Section 32, Township 12 South, Range 36 East, NMPM, Lea County, New Mexico.

(2) The S/2 SW/4 of said Section 32 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 15 lum 1. R. L. STAMETS, Director

SEAL