

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. 8416
Order No. R-7913

APPLICATION OF PHILLIPS OIL
COMPANY FOR AN UNORTHODOX OIL
WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 28, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 6th day of May, 1985, 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, Phillips Oil Company, seeks approval of an unorthodox oil well location 1300 feet from the North line and 1500 feet from the East line of Section 24, Township 17 South, Range 29 East, NMPM, Grayburg-Jackson Pool, Phillips Burch-Keely Cooperative Waterflood Project Area, Eddy County, New Mexico.

(3) The NW/4 NE/4 (Unit B) of said Section 24 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 and will permit the completion of an efficient injection/production pattern within said Waterflood Area.

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

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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:

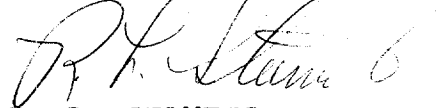
(1) The application of Phillips Oil Company for an unorthodox oil well location is hereby approved for a well to be located at a point 1300 feet from the North line and 1500 feet from the East line of Section 24, Township 17 South, Range 29 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

(2) The NW/4 NE/4 (Unit B) of said Section 24 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
Director

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