

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. 8777
Order No. R-8102

APPLICATION OF PENNZOIL COMPANY
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 December 4, 1985, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 16th day of December, 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, Pennzoil Company, seeks approval of an unorthodox oil well location 1400 feet from the South line and 660 feet from the West line of Section 17, Township 16 South, Range 37 East, NMPM, to test the Undesignated Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.
- (3) The W/2 SW/4 of said Section 17 is to be dedicated to the well.
- (4) Geologic evidence presented by the applicant at the hearing indicated that the unorthodox location represented a more favorable location for oil production than a well at a standard location and will better enable applicant to produce the oil underlying the proration unit.
- (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:

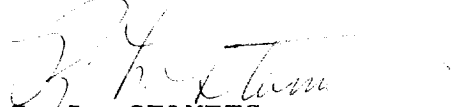
(1) The application of Pennzoil Company for an unorthodox oil well location for the Undesignated Northeast Lovington-Pennsylvanian Pool is hereby approved for a well to be located 1400 feet from the South line and 660 feet from the West line of Section 17, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The W/2 SW/4 of said Section 17 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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