

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. 8799
Order No. R-8130

APPLICATION OF PETROLEUM EXPLORATION
COMPANY, INC. FOR AN UNORTHODOX OIL
WELL LOCATION, CHAVES COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 9, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 16th day of January, 1986, 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, Petroleum Exploration Company, Inc., seeks approval of an unorthodox oil well location 1073 feet from the North line and 2023 feet from the East line of Section 17, Township 8 South, Range 31 East, NMPM, Siete-San Andres Pool, Chaves County, New Mexico.

(3) The NW/4 NE/4 of said Section 17 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

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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:

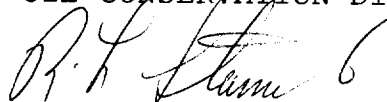
(1) The application of Petroleum Exploration Company, Inc. for an unorthodox oil well location for the San Andres formation is hereby approved for a well to be located 1073 feet from the North line and 2023 feet from the East line of Section 17, Township 8 South, Range 31 East, NMPM, Chaves County, New Mexico.

(2) The NW/4 NE/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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