

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. 8896
Order No. R-8228

APPLICATION OF KIRBY EXPLORATION COMPANY
OF TEXAS FOR AN UNORTHODOX WELL LOCATION,
SANDOVAL COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 14, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 21st day of May, 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, Kirby Exploration Company of Texas, seeks approval of an unorthodox oil well location 1327 feet from the North line and 1313 feet from the West line of Section 22, Township 19 North, Range 3 West, NMPM, to test the Entrada formation, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.

(3) The applicant further seeks approval of the simultaneous dedication of the NW/4 of said Section 22, a standard 160-acre oil spacing and proration unit, to its proposed well and also to its existing Boling Federal Wells Nos. 6 & 8, located in Units F and C, respectively, of said Section 22.

(4) Geologic evidence presented by the applicant at the hearing indicates that a well drilled at said unorthodox location should be more favorable to the recovery of

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hydrocarbons from the Entrada formation than a well drilled at a standard location therein.

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

(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:

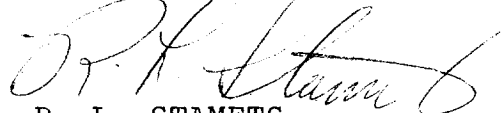
(1) The application of Kirby Exploration Company of Texas for an unorthodox oil well location for the Entrada formation is hereby approved for a well to be located at a point 1327 feet from the North line and 1313 feet from the West line (Unit E) of Section 22, Township 19 North, Range 3 West, NMPM, Southwest Media-Entrada Oil Pool, Sandoval County, New Mexico.

(2) The NW/4 of said Section 22 shall be simultaneously dedicated to the above-described well and to the applicant's existing Boling Federal Wells Nos. 6 & 8, located in Unit F and C, respectively, of said Section 22.

(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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