

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. 9116  
ORDER NO. R-8452

APPLICATION OF MERIDIAN OIL INC. FOR  
AN UNORTHODOX LOCATION, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 22, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 3rd day of June, 1987, 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, Meridian Oil Inc., seeks to have its Benson "3" Federal Well No. 1 located 760 feet from the North line and 2080 feet from the East line (Unit B) of Section 3, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico, approved as an unorthodox oil well location pursuant to the Special Rules and Regulations for the Benson-Strawn (Oil) Pool as promulgated by Division Order No. R-6129-A, dated May 14, 1980. IN THE ALTERNATIVE, the applicant seeks to have said well approved as an unorthodox gas well location if the application of Yates Petroleum Corporation in Division Case No. 9109 to reclassify the Benson-Strawn Pool as a gas pool is granted.

(3) Division Order No. R-8446, dated May 29, 1987, issued in Cases Nos. 9109 and 9110, granted Yates Petroleum Corporation's request to reclassify the Benson-Strawn Pool from an oil pool to a gas pool to be governed by Statewide Rules and Regulations, including those provisions for 320-acre standard gas spacing units. Said Order also denied Meridian Oil Inc.'s request to amend the Special Rules and

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Regulations for the Benson-Strawn (Oil) Pool to provide for increases in the depth bracket allowable and the gas/oil ratio limitation.

(4) Since the Benson-Strawn (Oil) Pool has been reclassified as a gas pool by said Order No. R-8446, that portion of this application seeking an unorthodox oil well location should be dismissed.

(5) The E/2 of said Section 3 is to be dedicated to the well.

(6) A well at said unorthodox gas well location will better enable applicant to produce the gas underlying the proration unit.

(7) No interested party objected to the proposed unorthodox location.

(8) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas 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 Meridian Oil, Inc., for an unorthodox gas well location for the Strawn formation is hereby approved for a well to be located at a point 760 feet from the North line and 2080 feet from the East line (Unit B) of Section 3, Township 19 South, Range 30 East, NMPM, Benson-Strawn Gas Pool, Eddy County, New Mexico.

(2) The E/2 of said Section 3 shall be dedicated to the above-described well.

(3) That portion of this application seeking an unorthodox oil well location for said well in the Benson-Strawn (Oil) Pool is hereby dismissed.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

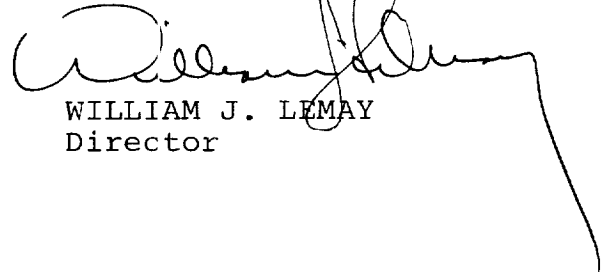
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DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

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A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name. The signature is fluid and cursive, with a long, sweeping line extending from the end of the name down towards the bottom right of the page.

WILLIAM J. LEMAY  
Director

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