

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 9304  
Order No. R-8555-A

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 8:15 a.m. on February 3, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of March, 1988, 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) By Order No. R-8555, dated November 24, 1987, the Division authorized Pennzoil Company to pool all mineral interests in the Strawn and Atoka formations underlying the E/2 SE/4 of Section 22, Township 16 South, Range 37 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico, thereby forming a standard 80-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon.

(3) The applicant now seeks to rescind said Order No. R-8555 and replace it with an order approving an unorthodox oil well location 1980 feet from the South line and 990 feet from the East line (Unit I) of said Section 22, the N/2 SE/4 of Section 22 to be dedicated to the well.

(4) No interested party objected to this application or to the reorientation of the acreage to be dedicated to the subject well.

Page 2  
Case No. 9304  
Order No. R-8555-A

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

(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 Northeast Lovington- Pennsylvanian Pool is hereby approved for a well to be located 1980 feet from the South line and 990 feet from the East line (Unit I) of Section 22, Township 16 South, Range 37 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.

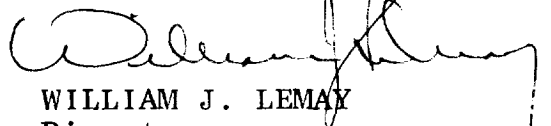
(2) The N/2 SE/4 of said Section 22 shall be dedicated to the above-described well.

(3) Division Order No. R-8555, dated November 24, 1987, is hereby rescinded.

(4) 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

  
WILLIAM J. LEMAY  
Director

S E A L