

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. 9397
Order No. R-8700

APPLICATION OF PETRUS OIL
COMPANY, L.P. 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 June 22, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 29th day of July, 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) The applicant, Petrus Oil Company, L.P., seeks approval of an unorthodox oil well location 1650 feet from the South line and 1310 feet from the West line (Unit L) of Section 11, Township 17 South, Range 33 East, NMPM, to test the Undesignated Sanmal-Queen Pool, Lea County, New Mexico.

(3) The applicant proposes to dedicate a standard statewide 40-acre oil spacing and proration unit to the well consisting of the NW/4 SW/4 of said Section 11.

(4) At the time of the hearing the applicant requested authority to simultaneously dedicate this 40-acre unit to the above-described well and to its State "D" Well No. 2 located at a standard oil well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 11.

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

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(6) No offset operator objected to the proposed unorthodox location.

(7) 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 Petrus Oil Company, L.P. for an unorthodox oil well location for the Undesignated Sanmal-Queen Pool is hereby approved for a well to be located at a point 1650 feet from the South line and 1310 feet from the West line (Unit L) of Section 11, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico.

(2) A standard statewide 40-acre oil spacing and proration unit consisting of the NW/4 SW/4 of said Section 11 shall be simultaneously dedicated to the above-described well and to the applicant's State "D" Well No. 2 located at a standard oil well location 1980 feet from the South line and 660 feet from the West line of said Section 11.

(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


WILLIAM J. LEMAY
Director

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