

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. 9445
ORDER NO. R-8715

APPLICATION OF MAXUS EXPLORATION
COMPANY FOR A NON-STANDARD OIL
PRORATION UNIT AND 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 August 3, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of August, 1988, the Division Director, having considered the testimony, 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, Maxus Exploration Company, seeks approval of a 57.15-acre non-standard oil proration unit comprising Lot 3 (17.15 acres) and the NE/4 SW/4 (40 acres) of Section 6, Township 11 South, Range 37 East, NMPM, Undesignated Dickinson-Devonian Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox oil well location 660 feet from the North line and 2160 feet from the West line of said Section 6.

(3) Due to a variation in the legal subdivision of the U.S. Public Land Surveys, said Section 6 is irregular in size.

(4) The proposed non-standard oil proration unit consists of two contiguous tracts that are part of the same State lease with common ownership throughout.

(5) The proposed well location is 660 feet from the northern and 330 feet from the eastern boundary of the proration unit. Said well is therefore unorthodox with respect to the subdivision inner boundary of said unit, being approximately 94 feet south of the quarter-quarter section line separating Lot 3 and the NE/4 SW/4 of said Section 6.

(6) Based on the geological evidence and testimony presented at the hearing the entire non-standard oil proration unit may reasonably be presumed productive of oil from the Devonian formation and the entire non-standard oil proration unit can be efficiently and economically drained and developed by the aforesaid well.

(7) Approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Undesignated Dickinson-Devonian 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.

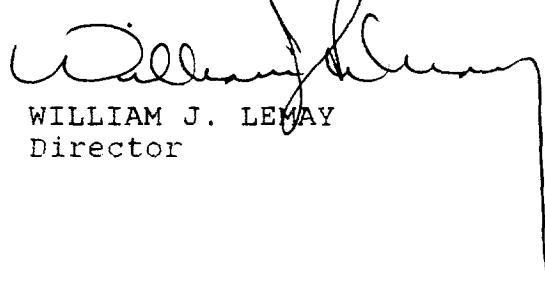
IT IS THEREFORE ORDERED THAT:

(1) The application of Maxus Exploration Company for a 57.15-acre non-standard oil proration unit in the Undesignated Dickinson-Devonian Pool comprising Lot 3 and the NE/4 SW/4 of Section 6, Township 11 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby established and dedicated to a well to be drilled at an unorthodox oil well location 660 feet from the North line and 2160 feet from the West line of said Section 6.

(2) 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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