

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. 9576
ORDER NO. R-8855

APPLICATION OF CHEVRON USA, INC.
FOR AN UNORTHODOX OIL WELL LOCATION
AND SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 18, 1989, at Santa Fe, New Mexico, before Examiner Victor T. Lyon.

NOW, on this 3th day of February, 1989, 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, Chevron USA, Inc., seeks approval of an unorthodox oil well location for its C. E. LaMunyon Well No. 50 to be drilled 1310 feet from the North line and 210 feet from the East line (Unit A) of Section 28, Township 23 South, Range 37 East, NMPM, to test the Teague-Blinbry Pool, Lea County, New Mexico.

(3) The NE/4 NE/4 of said Section 28 is to be simultaneously dedicated to the well and to the applicant's C. E. LaMunyon Well No. 21 located at a standard oil well location 510 feet from the North line and 660 feet from the East line of said Section 28.

(4) A well at an unorthodox location will better enable the applicant to produce the oil underlying the proration unit and will also permit the gathering of data to justify programs to enhance the recovery of oil from the pool by infill drilling and/or secondary recovery operations.

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

Case No. 9576
Order No. R-8855
Page No. 2

(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:

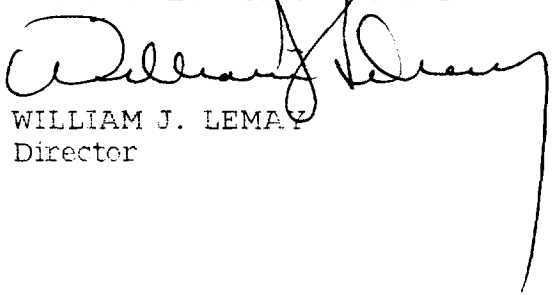
(1) The application of Chevron USA, Inc. for an unorthodox oil well location for the Teague-Blinbry Pool is hereby approved for its C. E. LaMunyon Well No. 50 to be located at a point 1310 feet from the North line and 210 feet from the East line (Unit A) of Section 28, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The NE/4 NE/4 of said Section 28 shall be simultaneously dedicated to the above-described well and to the C. E. LaMunyon Well No. 21 located at a standard oil well location 510 feet from the North line and 660 feet from the East line of said Section 28.

(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

S E A L