

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. 9612  
ORDER NO. R-2885

APPLICATION OF PENNZOIL EXPLORATION AND  
PRODUCTION 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 March 1, 1989, at Santa Fe, New Mexico, before Examiner Victor T. Lyon.

NOW, on this 14th day of March, 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, Pennzoil Exploration and Production Company, seeks approval of an unorthodox oil well location 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 21, Township 17 South, Range 37 East, NMPM, to test the Undesignated Humble City-Strawn Pool, Lea County, New Mexico.

(3) The E/2 NE/4 of said Section 21 is to be dedicated to the well forming a standard 80-acre oil spacing and proration unit.

(4) A well at an unorthodox location should better enable the applicant to produce the oil underlying the proration unit, since a well drilled at a standard location in the NE/4 NE/4 was dry.

(5) No offset operator objected to the proposed unorthodox location and the operator of the tract being crowded furnished a waiver of objection.

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(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:

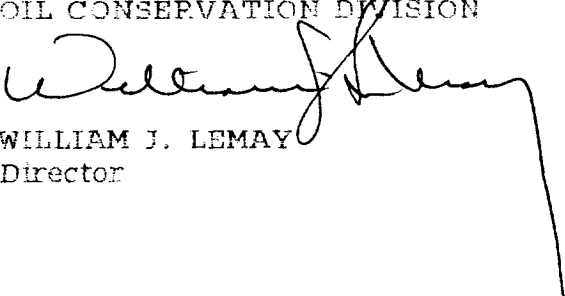
(1) The application of Pennzoil Exploration and Production Company for an unorthodox oil well location for the Undesignated Humble City-Strawn Pool is hereby approved for a well to be located at a point 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 21, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The E/2 NE/4 of said Section 21 shall be dedicated to the above-described well forming an oil spacing and proration unit for said pool.

(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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