

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. 9916
ORDER NO. R-9181

APPLICATION OF EXXON CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION
AND SIMULTANEOUS DEDICATION, EDDY
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 18, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 29th day of May, 1990, 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, Exxon Corporation, seeks approval of an unorthodox oil well location for its Yates "C" Federal Well No. 36 to be drilled 1305 feet from the North and East lines (Unit A) of Section 31, Township 20 South, Range 28 East, NMPM, to test the Avalon-Delaware Pool, Eddy County, New Mexico.
- (3) The NE/4 NE/4 of said Section 31 is to be simultaneously dedicated to the above-described well and to the applicant's Yates "C" Federal Well No. 4 located at a standard oil well location 660 feet from the North and East lines of said Section 31 forming a standard 40-acre oil spacing and proration unit for said pool.

Case No. 9916
Order No. R-9181
Page No. 2

(4) The geological testimony presented by the applicant indicates that the Avalon-Delaware Pool is in the middle primary stage of depletion and in anticipation of instituting a post-primary recovery project the applicant wishes to drill an infill well among four existing producing wells all located in the middle of four individual 40-acre spacing and proration units.

(5) The applicant is planning an aggressive coring, logging and testing program for this well and with such information, the applicant can better form a prudent plan of development for future secondary recovery operations.

(6) With said infill well the applicant should also encounter additional reserves that the four immediate offsetting wells cannot recover.

(7) All of Section 31 is within the applicant's Yates "C" Federal Lease; therefore, the proposed location of the subject infill well is not encroaching upon any other operator.

(8) No offsetting operator to the NE/4 of said Section 31 appeared or objected to the proposed infill well.

(9) 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, is in the best interest of conservation and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Exxon Corporation for an unorthodox infill oil well location for the Avalon-Delaware Pool is hereby approved for its Yates "C" Federal Well No. 36 to be located 1305 feet from the North and East lines of Section 31, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico.

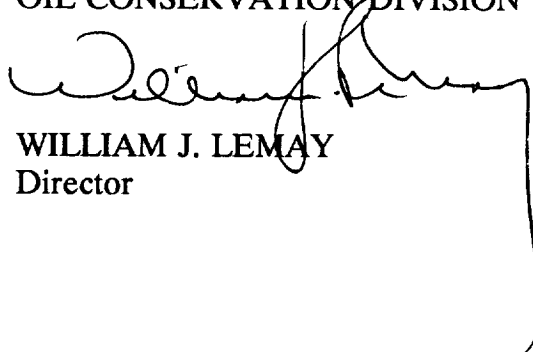
(2) The NE/4 NE/4 of said Section 31 shall be simultaneously dedicated to the above-described well and to the applicant's Yates "C" Federal Well No. 4 located at a standard oil well location 660 feet from the North and East lines of said Section 31 forming a 40-acre oil spacing and proration unit for said pool.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Case No. 9916
Order No. R-9181
Page No. 3

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

WILLIAM J. LEMAY
Director

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