

**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. 10731
Order No. R-9940**

**APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 17, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 18th day of August, 1993, 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, Nearburg Producing Company, seeks approval to drill its Dagger Draw "31" Federal Well No. 5 at an unorthodox oil well location 330 feet from the North line and 2460 feet from the West line (Unit C) of Section 31, Township 19 South, Range 25 East, NMPM, North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. Said well is to be simultaneously dedicated to an existing 162.60-acre oil spacing and proration unit comprising Lots 1 and 2 and the E/2 NW/4 (NW/4 equivalent) of said Section 31, which is currently dedicated to the Dagger Draw "31" Federal Well Nos. 1 and 4 located in Units D and E, respectively.

(3) Conoco Inc. and Yates Petroleum Corporation, both offset operators to the proposed unorthodox location, appeared at the hearing in opposition to the application.

(4) On August 11, 1993, the Division received a letter from Nearburg Producing Company requesting that Case No. 10731 be dismissed.

(5) The applicant's request should be granted.

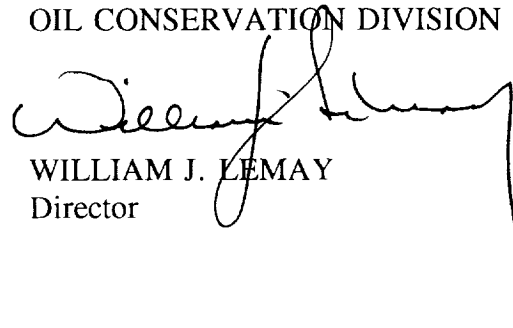
IT IS THEREFORE ORDERED THAT:

(1) The application of Nearburg Producing Company to drill its Dagger Draw "31" Federal Well No. 5 at an unorthodox oil well location 330 feet from the North line and 2460 feet from the West line (Unit C) of Section 31, Township 19 South, Range 25 East, NMPM, North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, is hereby dismissed.

(2) Jurisdiction is hereby 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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