

Entered April 21, 1978
JDR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6208
Order No. R-5711

APPLICATION OF LAYTON ENTERPRISES, INC.
FOR TWO NON-STANDARD OIL PRORATION UNITS
AND TWO UNORTHODOX LOCATIONS, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 19, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 21st day of April, 1978, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Layton Enterprises, Inc., seeks approval of two non-standard oil proration units in Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico, each to be dedicated to a well to be drilled at an unorthodox location thereon.
- (3) That the first unit would comprise 102.55 acres being the N/2 NW/4 and Lot 1 of Section 16 with the well to be located 800 feet from the North line and 450 feet from the East line of the section; the second unit would comprise 101.84 acres being the S/2 NW/4 and Lot 2 of Section 16 with the well to be located 2120 feet from the North line and 450 feet from the East line of the section.
- (4) That the non-standard proration units are necessitated by a variation in the public land survey.
- (5) That the entire non-standard proration units may reasonably be presumed productive of oil from the Bluit-San Andres Associated Pool and that the entire non-standard oil proration units can be efficiently and economically drained and developed by the aforesaid wells.

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(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Bluit-San Andres Associated 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:

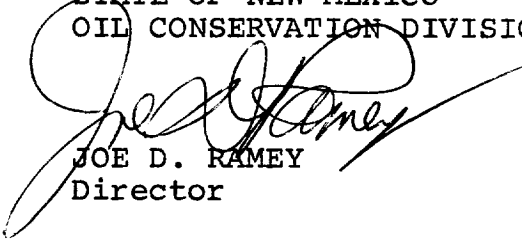
(1) That two non-standard oil proration units in the Bluit-San Andres Associated Pool in Township 8 South, Range 38 East, NMPM, Roosevelt County, New Mexico, are hereby established and dedicated to wells to be drilled at unorthodox locations thereon.

(2) That the first unit shall comprise 102.55 acres being the N/2 NW/4 and Lot 1 of Section 16 with the well to be located 800 feet from the North line and 450 feet from the East line of the section; the second unit shall comprise 101.84 acres being the S/2 NW/4 and Lot 2 of Section 16 with the well to be located 2120 feet from the North line and 450 feet from the East line of the section.

(3) That 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 herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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