Entered January

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. 7452 Order No. R-6878

APPLICATION OF SUPERIOR OIL COMPANY FOR AN UNORTHODOX WELL LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 6, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of January, 1982, 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, Superior Oil Company, seeks approval of an unorthodox gas well location 1980 feet from the South line and 2480 feet from the East line of Section 14, Township 23 South, Range 32 East, NMPM, to test the Wolfcamp and Pennsylvanian formations, Lea County, New Mexico.

(3) That the S/2 of said Section 14 is to be dedicated to the well.

(4) That it is desired to drill a well at said unorthodox location to enable applicant to avoid interference with a well already drilled and completed in another formation at a standard location on the subject proration unit.

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

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(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject 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 an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for a well to be located at a point 1980 feet from the South line and 2480 feet from the East line of Section 14, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico.

(2) That the S/2 of said Section 14 shall be dedicated to the above-described well.

(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 hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION JOE D. RAMEY, Director

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