

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. 7758
Order No. R-7220

APPLICATION OF CABANA OIL CORPORATION
FOR A NON-STANDARD PRORATION UNIT AND
AN UNORTHODOX LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 2, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 21st day of February, 1983, 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, Cabana Oil Corporation, seeks approval of an unorthodox oil well location 1000 feet from the South line and 1080 feet from the East line of Section 32, Township 17 South, Range 39 East, NMPM, to test the Abo formation, Lea County, New Mexico.
- (3) That the applicant further seeks approval of a 66.87 acre non-standard oil proration unit for the Abo formation comprising the SE/4 SW/4 and Lot 4 of said Section 32 to be dedicated to the well drilled at said unorthodox location.
- (4) That a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (5) That no offset operator appeared and objected to the proposed unorthodox location or non-standard unit.

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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 oil in the subject formation, 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:

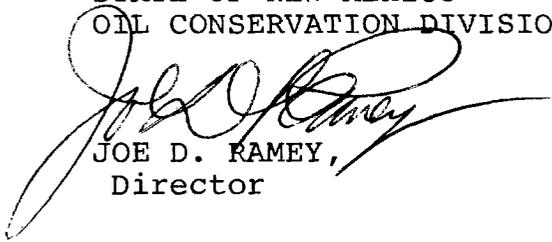
(1) That the application of Cabana Oil Corporation for an unorthodox oil well location for the Abo formation is hereby approved for a well drilled at a point 1000 feet from the South line and 1080 feet from the East line of Section 32, Township 17 South, Range 39 East, NMPM, Lea County, New Mexico.

(2) That a 66.87-acre non-standard oil spacing and proration unit consisting of the SE/4 SW/4 and Lot 4 of said Section 32 is hereby approved for dedication to the well at said unorthodox location in the Abo formation.

(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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