

*Entered February 1984
JLR*

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. 8053
Order No. R-7438

APPLICATION OF SANTA FE ENERGY COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 1, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of February, 1984, 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, Santa Fe Energy Company, seeks approval to re-enter a well at an unorthodox gas well location 760 feet from the South line and 660 feet from the West line of Section 26, Township 22 South, Range 28 East, NMPM, to test the Wolfcamp and Pennsylvanian formations, Eddy County, New Mexico.
- (3) That the S/2 of said Section 26 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.
- (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 affected pool(s), 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:

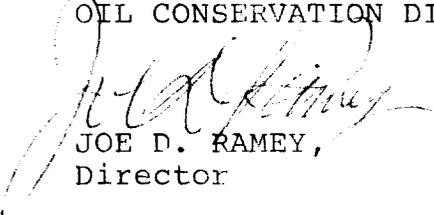
(1) That the application of Santa Fe Energy Company to re-enter a well at an unorthodox gas well location for the Wolfcamp and Pennsylvanian formations is hereby approved for a well located at a point 760 feet from the South line and 660 feet from the West line of Section 26, Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That the S/2 of said Section 26 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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