

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. 8378
Order No. R-7734

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 October 17, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 6th day of December, 1984, 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, Santa Fe Energy Company, seeks approval of an unorthodox gas well location 1980 feet from the North line and 330 feet from the East line of Section 6, Township 17 South, Range 30 East, NMPM, to test the Atoka, Morrow, Strawn and Wolfcamp formations, Eddy County, New Mexico.

(3) At the time of the hearing, the applicant requested and was granted approval to amend the application to a less unorthodox location 1980 feet from the North line and 870 feet from the East line of said Section 6.

(4) The N/2 of said Section 6 is to be dedicated to the well.

(5) A well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

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(6) No offset operator objected to the proposed unorthodox location.

(7) 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 THAT:

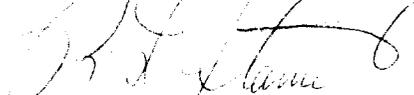
(1) The application of Santa Fe Energy Company for an unorthodox gas well location for the Atoka, Morrow, Strawn and Wolfcamp formations is hereby approved for a well to be located at a point 1980 feet from the North line and 870 feet from the East line of Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(2) The N/2 of said Section 6 shall be dedicated to the above-described well.

(3) 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



R. L. STAMETS,
Director

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