

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. 8956
Order No. R-8281

APPLICATION OF CIBOLA ENERGY CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 6, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 21st day of August, 1986, 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, Cibola Energy Corporation, seeks approval of an unorthodox oil well location for its proposed Hadley Well No. 1 to be drilled 2290 feet from the North line and 1200 feet from the East line (Unit H) of Section 36, Township 10 South, Range 27 East, NMPM, to test the Devonian formation, Chaves County, New Mexico.

(3) The SE/4 NE/4 of said Section 36 is to be dedicated to the well.

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

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

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable

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share of the oil in the affected 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 THAT:

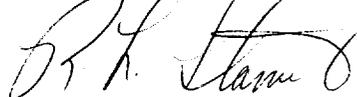
(1) The application of Cibola Energy Corporation for an unorthodox oil well location for the Devonian formation is hereby approved for a well to be located 2290 feet from the North line and 1200 feet from the East line of Section 36, Township 10 South, Range 27 East, NMPM, Chaves County, New Mexico.

(2) The SE/4 NE/4 (Unit H) of said Section 36 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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