

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9194
Order No. R-8498

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 12, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of August, 1987, 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) At the time of the hearing this case was consolidated with Division Case No. 9195 for the purpose of testimony.
- (3) The applicant, Pennzoil Company, seeks approval of an unorthodox oil well location 2310 feet from the North line and 1650 feet from the East line (Unit G) of Section 16, Township 16 South, Range 37 East, NMPM, to test the Undesignated Northwest Lovington-Pennsylvanian Pool, Lea County, New Mexico.
- (4) The S/2 NE/4 of said Section 16 is to be dedicated to the well forming a standard 80-acre spacing and proration unit for said pool.
- (5) A well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (6) No offset operator objected to the proposed unorthodox location.

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(7) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected 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 THAT:

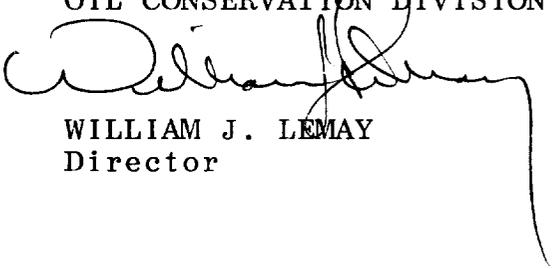
(1) The application of Pennzoil Company for an unorthodox oil well location in the Undesignated Northwest Lovington-Pennsylvanian Pool is hereby approved for a well to be located at a point 2310 feet from the North line and 1650 feet from the East line (Unit G) of Section 16, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The S/2 NE/4 of said Section 16 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


WILLIAM J. LEMAY
Director

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