

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. 10185
ORDER NO. R-9428

**APPLICATION OF AVON ENERGY CORPORATION FOR
AN UNORTHODOX OIL WELL LOCATION AND
SIMULTANEOUS DEDICATION, EDDY COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 19, 1990, and on January 24, 1991, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and Jim H. Morrow, respectively.

NOW, on this 1st day of February, 1991 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 December 19, 1990 hearing, this case was consolidated with Case Nos. 10186 and 10187 for purposes of testimony.

(3) The applicant, Avon Energy Corporation, seeks approval of an unorthodox oil well location for its Turner "B" Well No. 100 to be drilled 150 feet from the South line and 50 feet from the West line (Unit M) of Section 20, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Turner "B" Grayburg-Jackson Waterflood Project Area, Eddy County, New Mexico.

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(4) Said well is to be dedicated to an existing 40-acre standard oil spacing and proration unit comprising the SW/4 SW/4 of said Section 20, which is presently dedicated to the Turner "B"-B Well No. 43 located at a standard oil well location 660 feet from the South line and 560 feet from the West line of said Section 20.

(5) The subject well location is within the Turner "B" Grayburg Jackson Waterflood Project Area but is only within 50 feet from the outer boundary of said Project Area.

(6) Directly offsetting the Turner "B" Grayburg-Jackson Waterflood Project Area to the west is the Atlantic Grayburg-Jackson Friess Fren Waterflood Project Area which is also operated by Avon Energy Corporation, and, according to the testimony presented, both waterflood project areas have common ownership.

(7) The proposed well at an unorthodox oil well location would serve to complete a more efficient injection/production pattern between the two Grayburg-Jackson Waterflood Projects.

(8) No interested party appeared and/or objected to the proposed unorthodox location.

(9) 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, is in the best interest of conservation and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Avon Energy Corporation, is hereby authorized to drill its Turner "B" Well No. 100 at an unorthodox oil well location 150 feet from the South line and 50 feet from the West line (Unit M) of Section 20, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Turner "B" Waterflood Project, Eddy County, New Mexico.

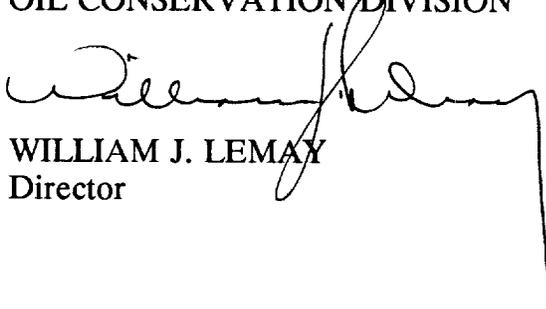
(2) The existing 40-acre standard oil spacing and proration unit comprising the SW/4 SW/4 of said Section 20 shall be dedicated to the above-described well and to its Turner "B"-B Well No. 43 located at a standard oil well location 660 feet from the South line and 560 feet from the West line of said Section 20.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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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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