

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. 10319
Order No. R-9525

APPLICATION OF WOODBINE PETROLEUM
INC. FOR AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 30, 1991, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 11th day of June, 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) The applicant, Woodbine Petroleum, Inc. (Woodbine) seeks approval of an unorthodox oil well location for its Hadson Federal Well No. 3 to be drilled 2540 feet from the North line and 2310 feet from the East line (Unit G) of Section 11, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) The well would be completed in the Undesignated Shugart Pool with the SW/4 NE/4 of Section 11 dedicated to it to form a standard 40-acre oil spacing and proration unit.

(4) At the hearing, applicant's witness testified that the well has already been drilled and is awaiting completion. Bureau of Land Management approval to drill the well was obtained on May 9, 1991.

(5) OCD Statewide Rules are applicable in the Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool and require that wells be located no closer than 330 feet to the oil spacing and proration unit boundary. Woodbine's Hadson Federal Well No. 3 is located 100 feet from the South boundary of the spacing and proration unit.

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(6) Woodbine's witness submitted a Seven Rivers Structure Map and other exhibits and testimony to show that a well at the proposed unorthodox location should be higher on structure and result in a better completion than a well at a standard location.

(7) Woodbine's witness also testified that the offset tract toward which the well encroached is on the same lease with common ownership.

(8) No offset operator or interest owner appeared at the hearing in opposition to the application.

(9) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in the affected pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) An unorthodox oil well location in the Undesignated Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool is hereby approved for the Woodbine Petroleum, Inc. Hadson Federal Well No. 3 located 2540 feet from the North line and 2310 feet from the East line (Unit G) of Section 11, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico.

(2) The SW/4 NE/4 (Unit G) of said Section 11 shall be dedicated to the well to form a standard 40-acre oil spacing and proration unit for said Pool.

(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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