

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. 9150
Order No. R-8465

APPLICATION OF MAXUS ENERGY CORPORATION
FOR AN UNORTHODOX GAS 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 June 17, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of July, 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) The applicant, Maxus Energy Corporation, seeks approval of an unorthodox gas well location 660 feet from the South line and 1650 feet from the West line (Unit N) of Section 34, Township 22 South, Range 34 East, NMPM, to test the Wolfcamp, Strawn and Morrow formations, and the Undesignated Antelope Ridge-Atoka Gas Pool, Lea County, New Mexico.

(3) The W/2 of said Section 34 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said intervals.

(4) A well at said unorthodox location will better enable applicant to either produce or test said zones within the W/2 of said Section 34.

(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 share of the gas in the affected intervals, 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.

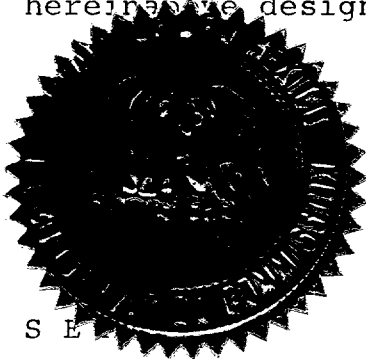
IT IS THEREFORE ORDERED THAT:

(1) The application of Maxus Energy Corporation for an unorthodox gas well location for the Wolfcamp, Strawn and Morrow formations and the Undesignated Antelope Ridge-Atoka Gas Pool is hereby approved for a well to be located at a point 660 feet from the South line and 1650 feet from the West line (Unit N) of Section 34, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico.


(2) The W/2 of said Section 34 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 hereinafter designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director