

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. 8239
Order No. R-7606

APPLICATION OF COASTAL OIL & GAS
CORPORATION 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 a.m. on July 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 27th day of July, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Coastal Oil & Gas Corporation, seeks approval of an unorthodox oil well location 990 feet from the South line and 1980 feet from the West line of Section 31, Township 13 South, Range 33 East, NMPM, to test the Pennsylvanian formation, Baum-Upper Pennsylvanian Pool, Lea County, New Mexico.
- (3) That the SW/4 of said Section 31 is to be dedicated to the well.
- (4) That a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.
- (6) That 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 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:

(1) That the application of Coastal Oil & Gas Corporation for an unorthodox oil well location is hereby approved for a well to be located at a point 990 feet from the South line and 1980 feet from the West line of Section 31, Township 13 South, Range 33 East, NMPM, Baum-Upper Pennsylvanian Pool, Lea County, New Mexico.

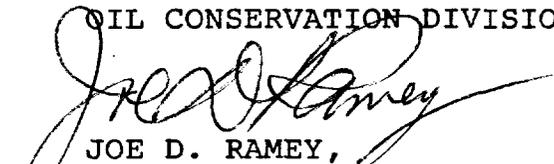
(2) That the SW/4 of said Section 31 shall be dedicated to the above-described well.

(3) That 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


JOE D. RAMEY,
Director

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