

PADILLA & SNYDER

ATTORNEYS AT LAW
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September 27, 1985

HAND-DELIVERY

Michael E. Stogner
State Land Office Building
Santa Fe, New Mexico

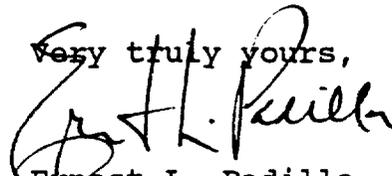
Re: OCD Cases 8714 and 8695;
Benson-Montin-Greer Drilling Corp.

Dear Mr. Stogner:

In accordance with your instructions, I enclose proposed orders for the above-referenced cases. I would request, as I requested at the end of last Wednesday's hearing, that these orders be issued expeditiously due to weather conditions.

I will send you a proposed order in Case 8715 as soon as I have completed it.

Very truly yours,



Ernest L. Padilla

ELP/rgw

cc: Benson-Montin-Greer

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. 8695
Order No. _____

APPLICATION OF BENSON-MONTIN-GREER
DRILLING CORP. FOR AN UNORTHODOX
OIL WELL LOCATION, RIO ARRIBA COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on September 25, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this ____ day of _____, 1985, 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, Benson-Montin-Greer Drilling Corp., seeks approval of an unorthodox oil well location 1850 feet from the North line and 870 feet from the West line of Section 6, Township 25 North, Range 1 West, NMPM, Rio Arriba County, New Mexico.

(3) That said unorthodox oil well location, to be drilled and completed in the West Puerto Chiquito Mancos Oil Pool, is necessary to offset the Mallon Oil Company 1-8 Howard well located 1650 feet from the North line and 870 feet from the East line of Section 1, Township 25 North, Range 1 West, NMPM, Rio Arriba County, New Mexico and which is to be completed in the Mancos formation.

(4) That all of said Section 31 is to be dedicated to the well.

(5) That a well at said unorthodox location will better enable applicant to protect its correlative rights.

(6) That no offset operator objected to the proposed unorthodox location.

(7) That 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:

(1) That the application of Benson-Montin-Greer Drilling Corp. for an unorthodox oil well location in the Mancos Formation is hereby approved for a well to be located at a point 1850 feet from the North line and 870 feet from the West line of Section 6, Township 26 North, Ranged 1 West, NMPM, West Puerto Chiquito Mancos Oil Pool, Rio Arriba County, New Mexico.

(2) That all of said Section 31 South 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

RICHARD L. STAMETS
Director

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