

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 8793
Order No. R-8153

APPLICATION OF UNION TEXAS PETROLEUM
CORPORATION FOR A NON-STANDARD SPACING
AND PRORATION UNIT, LEA COUNTY, NEW
MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9a.m. on January 7, 1986, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 26th day of February, 1986, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) This case was consolidated for purposes of testimony with Cases Nos. 8678 (de novo), 8794, and 8795.

(3) The applicant, Union Texas Petroleum Corporation, seeks approval of a 40-acre non-standard oil spacing and proration unit comprising the NW/4 SW/4 of Section 1, Township 15 South, Range 36 East, Northeast Caudill-Wolcamp Pool, Lea County, New Mexico.

(4) Said non-standard unit would be dedicated to applicant's Scott Well No. 1 located in Unit L of said Section 1.

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(5) Said well currently has dedicated thereto the W/2 SW/4 of said Section 1, a standard 80-acre oil spacing unit for said pool.

(6) Wilton Scott, an owner of interest in the SW/4 SW/4 of said Section 1 objected to the proposed non-standard unit.

(7) The evidence presented in this case established that said Scott Well No. 1 had drained substantial reserves from under the SW/4 SW/4 of said Section 1; the owners therein could not expect to recover sufficient reserves therefrom at this time to justify drilling a well on said acreage; and approval of the application of Union Texas would deprive them of their correlative rights.

(8) To protect correlative rights, the application of Union Texas Petroleum Corporation should be denied.

IT IS THEREFORE ORDERED THAT:

(1) The application of Union Texas Petroleum Corporation for a 40-acre non-standard oil spacing and proration unit comprising the NW/4 SW/4 of Section 1, Township 15 South, Range 36 East, Northeast Caudill-Wolfcamp Pool, Lea County, New Mexico, is hereby denied.

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

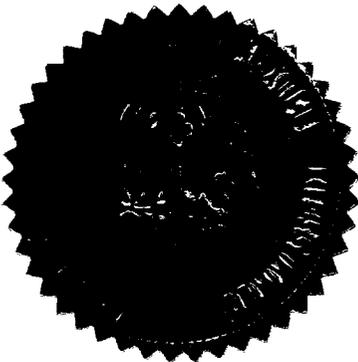
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, Member

Ed Kelley
ED KELLEY, Member

R. L. Stanets
R. L. STANETS,
Chairman and Secretary



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