

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. 9409
Order No. R-8688

APPLICATION OF CONOCO INC.
FOR AN UNORTHODOX OIL WELL
LOCATION AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 8 and 22, 1988, at Santa Fe, New Mexico, before Examiners David R. Catanach and Michael E. Stogner, respectively.

NOW, on this 11th day of July, 1988, 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, Conoco Inc., seeks approval to drill its Eaves "A" Well No. 16 at an unorthodox oil well location 1550 feet from the North line and 2460 feet from the West line (Unit F) of Section 19, Township 26 South, Range 37 East, NMPM, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico, to be simultaneously dedicated to the existing 40-acre proration unit consisting of the SE/4 NW/4 of said Section 19 to the above-described well and to its Eaves "A" Well No. 4 located 1980 feet from the North line and 1650 feet from the West line of said Section 19.

(3) The applicant presented geological evidence and testimony which indicates that a well at the proposed location will allow the applicant to recover the remaining reserves underlying the proration unit which would not otherwise be recovered by the existing Eaves "A" Well No. 4.

(4) Evidence presented by the applicant further indicates that Conoco Inc. operates all affected offset acreage.

(5) Approval of the subject unorthodox well location and simultaneous dedication will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject 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 THAT:

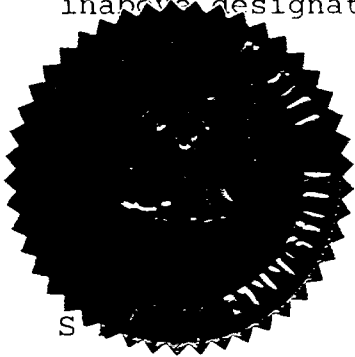
(1) The applicant, Conoco Inc, is hereby authorized to drill its Eaves "A" Well No. 16 at an unorthodox location 1550 feet from the North line and 2460 feet from the West line (Unit F) of Section 19, Township 26 South, Range 37 East, NMPM, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico.

(2) The SE/4 NW/4 of said Section 19 shall be simultaneously dedicated to the above-described well and to the applicant's existing Eaves "A" Well No. 4 located 1980 feet from the North line and 1650 feet from the West line (Unit F) of said Section 19.


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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director