

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

RECEIVED

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

MAY 26 1980

O. C. D.

ARTESIA, OFFICE

CASE NO. 6857

Order No. R-6347

APPLICATION OF HOLLY ENERGY,  
INC. FOR AN UNORTHODOX GAS WELL  
LOCATION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1980, 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, Holly Energy, Inc., seeks  
approval of an unorthodox gas well location for its State 14  
Well No. 1 to be drilled 660 feet from the South line and  
990 feet from the East line of Section 14, Township 18 South,  
Range 28 East, NMPM, to test the Morrow formation, Eddy County,  
New Mexico.

(3) That the E/2 of said Section 14 is to be dedicated  
to the well.

(4) That a well at said unorthodox location will better  
enable applicant to produce the gas underlying the proration  
unit.

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

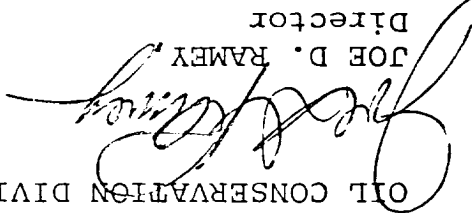
(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for the Holly Energy, Inc. State 14 Well No. 1 to be drilled at a point 666 feet from the South line and 990 feet from the East line of Section 14, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That the E/2 of said Section 14 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. RAMSEY  
Director

S E A L

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