

CASE NO.

7461

APPLICATION,

TRANSCRIPTS,

SMALL EXHIBITS,

ETC.

1
2 STATE OF NEW MEXICO
3 ENERGY AND MINERALS DEPARTMENT
4 OIL CONSERVATION DIVISION
5 STATE LAND OFFICE BLDG.
6 SANTA FE, NEW MEXICO

7 6 January 1982

8 EXAMINER HEARING

9 IN THE MATTER OF:

10 Application of Wainoco Oil and Gas
11 Company for an unorthodox location,
12 Lea County, New Mexico.

13 CASE
14 7461

15 BEFORE: Daniel S. Nutter

16 TRANSCRIPT OF HEARING

17 A P P E A R A N C E S

18
19 For the Oil Conservation
20 Division:

21 W. Perry Pearce, Esq.
22 Legal Counsel to the Division
23 State Land Office Bldg.
24 Santa Fe, New Mexico 87501

25 For the Applicant:

Ernest L. Padilla, Esq.
P. O. Box 2523
Santa Fe, New Mexico 87501

1
2 MR. NUTTER: We'll call next Case Number
3 7461.

4 MR. PEARCE: Application of Wainoco Oil
5 & Gas Company for an unorthodox location, Lea County, New
6 Mexico.

7 MR. PADILLA: Mr. Examiner, Ernest L.
8 Padilla on behalf of the applicant.

9 My witness has come in finally; he was
10 delayed by the snow in Denver and last night here in Santa Fe.

11 But I should also point out that Bass
12 Enterprises, as you know, was the offsetting operator to the
13 west of the unorthodox location, and they have indicated that
14 they have no objection to the application and would not op-
15 pose it in any manner.

16 In that respect they will be sending to
17 the Division a telegram indicating that they have no objection.

18 We would at this time offer, or at some --
19 at this time offer a new survey that indicates the well is
20 actually 28-and some feet unorthodox, as opposed to 27.7 feet.

21 So it's a matter of less than a foot
22 that it's unorthodox, or from -- from the advertisement, any-
23 way.

24 MR. NUTTER: And is the offset operator
25 aware of this corrected location?

1
2 MR. PADILLA: They are, I believe.

3 A SPECTATOR: It's my understanding that
4 they are and that they were to send to the Commission a
5 telegram.

6 MR. NUTTER: And then we had some pre-
7 vious testimony in another case regarding this, this pro-
8 ration unit and this well location.

9 Would you like to incorporate the record
10 for that other case into the record for this case, Mr.
11 Padilla?

12 MR. PADILLA: Yes, Mr. Nutter, I would
13 incorporate the record of that case held on December 2nd,
14 and I'm not exactly -- let me find the number of that case.

15 MR. PEARCE: 7431, I believe, Mr. Padilla.

16 MR. PADILLA: That's correct.

17 MR. NUTTER: Okay, the record in Case
18 Number 7431 will be incorporated in the record of this case.

19 Did you have anything further, then, Mr.
20 Padilla?

21 MR. PADILLA: I have nothing further.

22 MR. NUTTER: Does anyone have anything
23 they wish to offer in Case 7461?

24 If not, we'll take the case under ad-
25 visement.

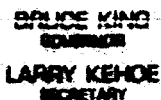
C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that
the foregoing Transcript of Hearing before the Oil Conserva-
tion Division was reported by me; that the said transcript
is a full, true, and correct record of the hearing, prepared
by me to the best of my ability.

Sally W. Boyd CSR

SALLY W. BOYD, C.S.R.
Rt. 1 Box 193-B
Santa Fe, New Mexico 87501
Phone (505) 455-7409

1/6 7461
82
Examiner
Oil Conservation Division



STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-3434

January 12, 1982

Mr. Ernest L. Padilla
Attorney-at-Law
P. O. Box 2523
Santa Fe, New Mexico

Re: CASE NO. 7461
ORDER NO. R-6885

Applicant:

Wainoco Oil & Gas Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD	X
Artesia OCD	X
Aztec OCD	

Other

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. 7461
Order No. R-6885

APPLICATION OF WAINOCO OIL & GAS COMPANY
FOR AN UNORTHODOX LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 6, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of January, 1982, 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, Wainoco Oil & Gas Company, seeks approval of an unorthodox oil well location 660 feet from the South line and 660 feet from the West line of Section 18, Township 16 South, Range 37 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico said location being 179.3 feet west of the center of Lot 4 whereas the pool rules specify that well be drilled within 150 feet of the center of the lot.

(3) That Lots 3 and 4 of said Section 18 are to be dedicated to the well.

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

(5) 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

-2-

Case No. 7461
Order No. R-6885

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 Wainoco Oil & Gas Company for an unorthodox oil well location is hereby approved for a well to be located at a point 660 feet from the South line and 660 feet from the West line of Section 18, Township 16 South, Range 27 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.

(2) That Lots 3 and 4 of said Section 18 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
JOE D. RAMEY
Director

Telegram

Western Union

Telegram

Western Union

WU AGT SANA

WU INFOMASTER I-007064M005 01/05/82

ICS IPMKAKG XSC

05251 01-05 03170 CST

TWX 9109850511 WU AGT SANA

4-0297065005 01/05/82

100-2550002 CSD

8173327936 TORN FT WORTH TX 112 01-05 0410T 017

PMS NEW MEXICO OIL CONSERVATION DIVISION

ENERGY AND MINERAL DEPT

ATTN: DAN MUTTER PPT DLY MGM, DLR

310 OLD SANTA FE TRAIL

SANTA FE NM 87501

RE: VAINOCO AZTEC CO. #3 660 FEET FROM THE WEST LINE-660 FEET FROM THE SOUTH LINE SECTION 18 TOWNSHIP 16 SOUTH-RANGE 37 EAST LEA COUNTY, NEW MEXICO

PLEASE BE ADVISED THAT BASS ENTERPRISES PRODUCTION CO. BY VIRTUE OF THIS TELEGRAM DOES HEREBY GRANT VAINOCO OIL AND GAS COMPANY A WAIVER FOR THE NON STANDARD LOCATION OF THE ABOVE REFERENCED WELL. IT IS OUR UNDERSTANDING THAT THE PRESENT LOCATION IS 177.5 FEET FROM THE CENTER OF LOT 4 OR 27.5 FEET BEYOND THE 150 FOOT TOLERANCE PERMITTED BY THE STATE RULES AND BASS HAS GRANTED THIS WAIVER WITH FULL KNOWLEDGE OF SAME.

IF I CAN BE OF ANY FURTHER ASSISTANCE, PLEASE CONTACT ME.

MICHAEL L JOSEPH

3100 FT WORTH NATIONAL BANK BLDG

FT WORTH TX 76102

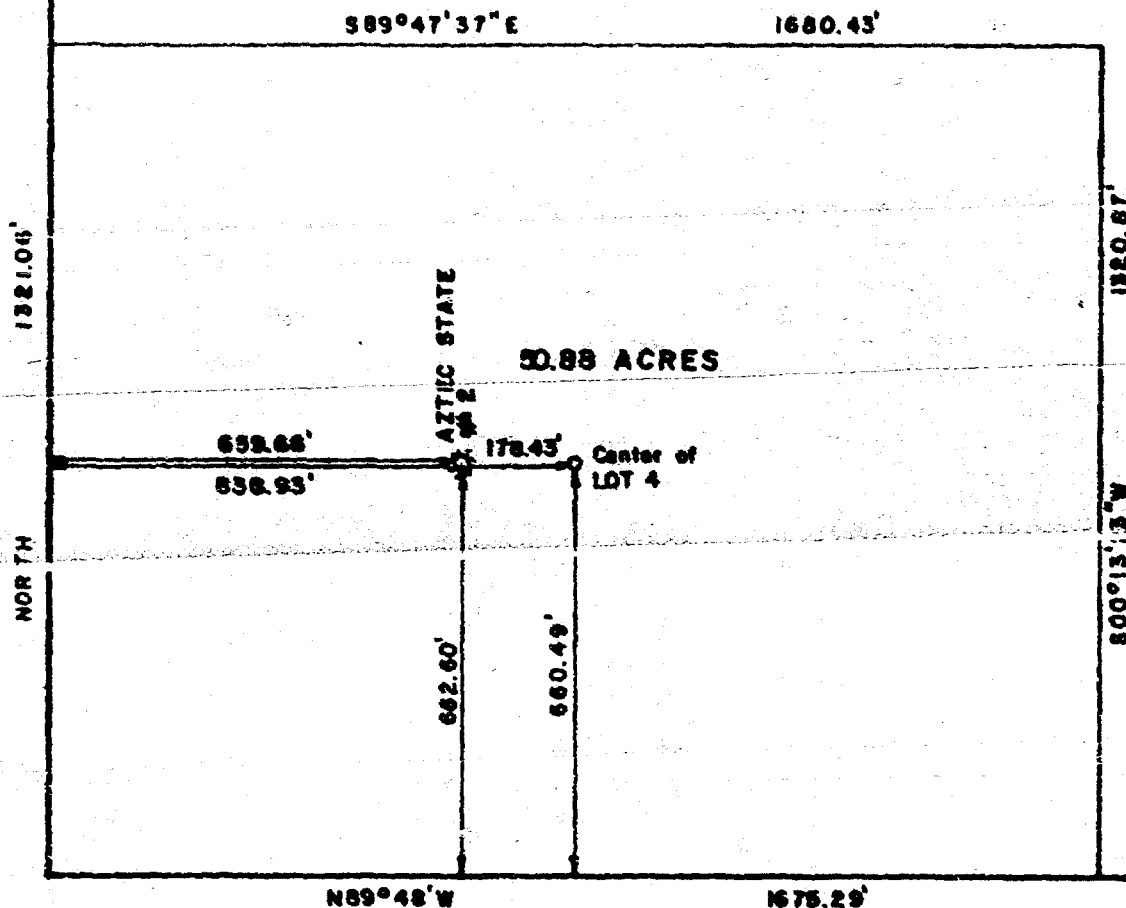
1618 EST

1637 EST

WU AGT SANA

*Rec'd 3:15 pm
1/6/82*

LOT 4, SEC. 18, T16S, R37E, N.M.P.M.,
LEA COUNTY, NEW MEXICO



The location of Wainoco Oil and Gas Co. Aztec State Well #2 situated in Lot 4, Section 18, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

I HEREBY CERTIFY THAT I AM THE REGISTERED LAND SURVEYOR WHO PREPARED THE ABOVE PLAT FROM FIELD NOTES OF ACTUAL SURVEYS MADE UNDER MY DIRECTION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

WAINOCO OIL AND GAS CO.

Location of Aztec State #2 in Lot 4,
Section 18, Township 16 South, Range 37
East, N.M.P.M., Lea County, New Mexico.

BROWN & KING
ENGINEERING & SURVEYING, INC.

3616 INDUSTRIAL DRIVE — LOVINGTON HIGHWAY

MOBBS, N. M. 92240

SCALE: 1" = 300'

DRAWN BY: Maudie W.

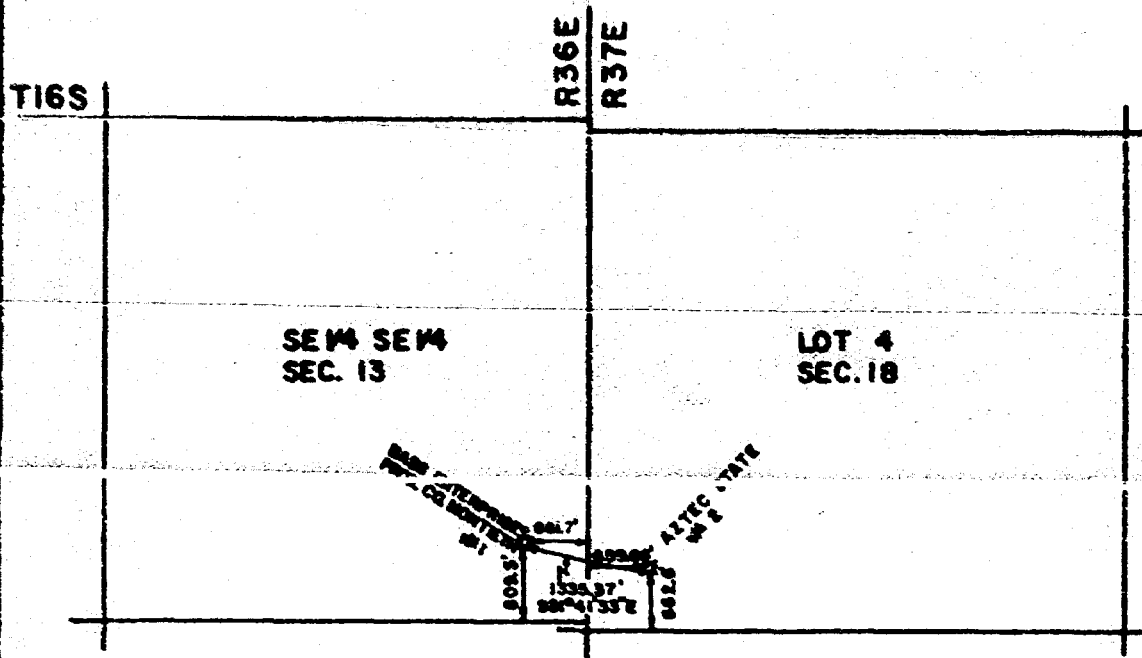
DATE: DEC. 15, 1981

SHEET 1 OF 1

Neal D. King
New Mexico R.L.S. No. 6541
Texas R.P.S. No. 02205



SE¼ SE¼, SEC. 13, T16S, R36E, N.M.P.M.,
 LOT 4, SEC. 18, T16S, R37E, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



The relationship of Bass Enterprises Prod. Co. Montieith Well #1 in the SE¼ SE¼ of Section 13, Township 16 South, Range 36 East and Wainoco Oil and Gas Co. Aztec State Well #2 in Lot 4, Section 18, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

I HEREBY CERTIFY THAT I AM THE REGISTERED LAND SURVEYOR WHO PREPARED THE ABOVE PLAT FROM FIELD NOTES OF ACTUAL SURVEYS MADE UNDER MY DIRECTION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

WAINOCO OIL AND GAS CO.

Survey of Wells in SE¼ SE¼ of Section 13, Township 16 South, Range 36 East and Lot 4, Section 18, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

BROWN & KING

ENGINEERING & SURVEYING, INC.

3615 INDUSTRIAL DRIVE - LOVINGTON HIGHWAY

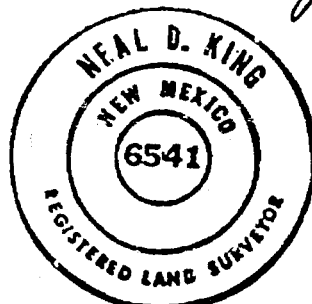
MOORE, N. M. 88240

SCALE: 1" = 2000'

DRAWN BY: Maudie W.

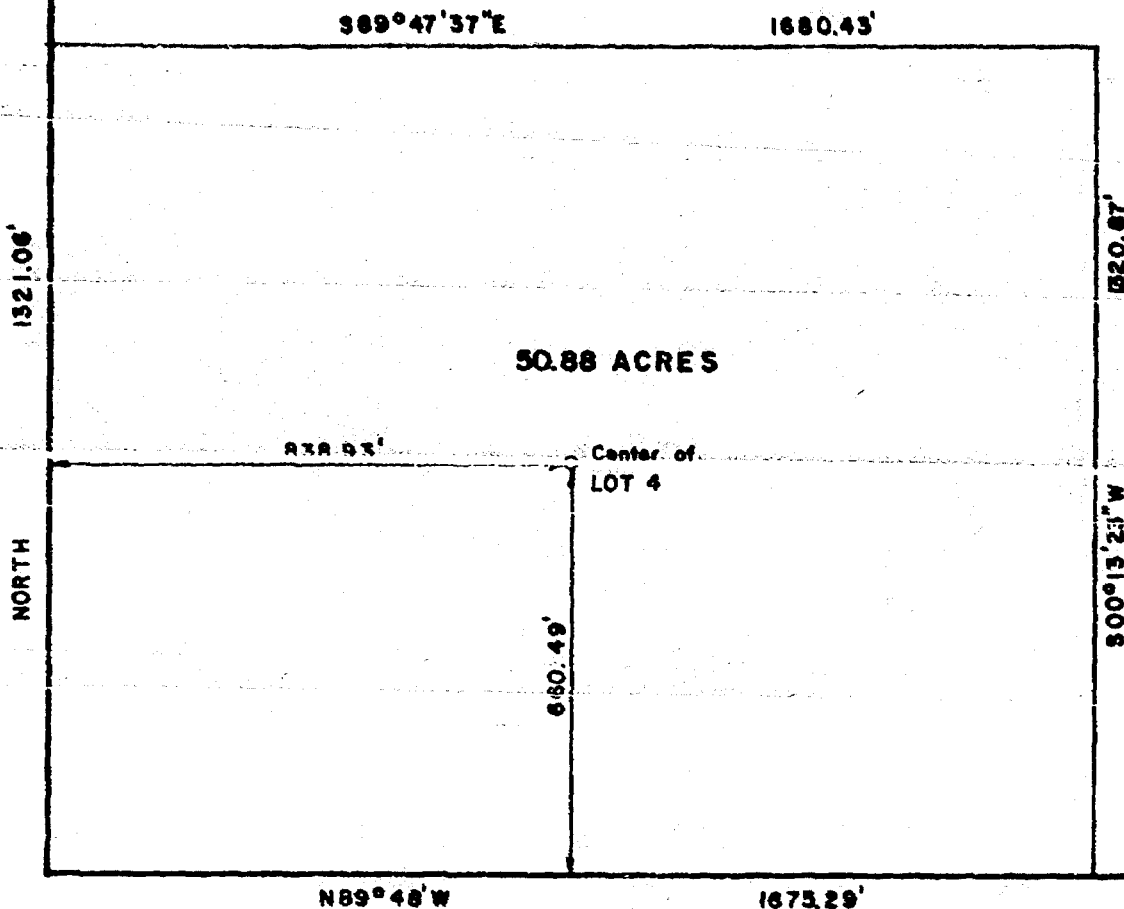
DATE DEC. 16, 1981

SHEET 1 OF 1



PLAT OF SURVEY

LOT 4, SEC. 18, T16S, R37E, N.M.P.M.,
LEA COUNTY, NEW MEXICO



The center of Lot 4, Section 18, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico, determined by methods set forth in the "Manual of Instructions for the Survey of the Public Lands of the United States", issued in 1973 by the U.S. Department of the Interior, Bureau of Land Management.

I HEREBY CERTIFY THAT I AM THE REGISTERED LAND SURVEYOR WHO PREPARED THE ABOVE PLAT FROM FIELD NOTES OF ACTUAL SURVEYS MADE UNDER MY DIRECTION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

WAINOCO OIL AND GAS CO.

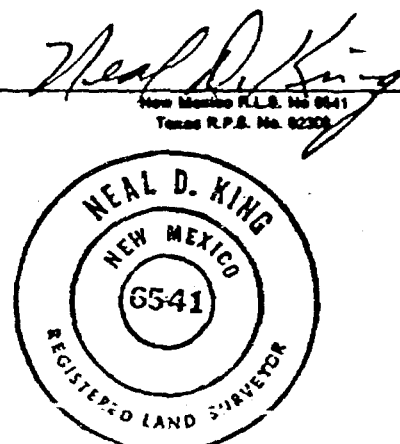
Survey of Lot 4, Section 18, Township 16 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

BROWN & KING
ENGINEERING & SURVEYING, INC.

3515 INDUSTRIAL DRIVE — LOVINGTON HIGHWAY

HOBBS, N. M. 88240

SCALE: 1" = 300'	DRAWN BY: Maudie W.
DATE: DEC. 16, 1981	SHEET 1 OF 1



Dockets Nos. 3-82 and 4-82 are tentatively set for January 20 and February 3, 1982. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 6, 1982

**9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 7410: (Continued from December 16, 1981, Examiner Hearing)

Application of B.O.A. Oil & Gas Company for two unorthodox oil well locations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 2035 feet from the South line and 2455 feet from the East line and one to be drilled 2455 feet from the North line and 1944 feet from the East line, both in Section 31, Township 31 North, Range 15 West, Verde-Gallup Oil Pool, the NW/4 SE/4 and SW/4 NE/4, respectively, of said Section 31 to be dedicated to said wells.

CASE 7448: (Continued and Readvertised)

Application of Energy Reserves Group Inc. for creation of a new gas pool and an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Cisco production comprising the S/2 of Section 12 and the N/2 of Section 13, Township 6 South, Range 33 East; applicant further seeks approval of the unorthodox location of its Miller Com Well No. 1-Y located 660 feet from the South and West lines of said Section 12.

CASE 7451: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down through the Abo formation underlying the SE/4 of Section 11, Township 6 South, Range 25 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 7452: Application of Superior Oil Company for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Wolfcamp-Penn well to be drilled 1980 feet from the South line and 2480 feet from the East line of Section 14, Township 23 South, Range 32 East, the S/2 of said Section 14, to be dedicated to the well.

CASE 7453: Application of T. D. Skelton for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Devonian and and Mississippian formations underlying the NE/4 NW/4 of Section 7, Township 12 South, Range 38 East, to be dedicated to the re-entry of an old well at a standard location thereon. Also to be considered will be the cost of re-entering and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-entry of said well.

CASE 7454: Application of Uriah Exploration, Inc., for approval of an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be drilled 1090 feet from the North line and 560 feet from the East line of Section 30, Township 22 South, Range 25 East, Wolfcamp-Pennsylvanian formations, the N/2 of said Section to be dedicated to the well.

CASE 7455: Application of H. L. Brown, Jr. for compulsory pooling at an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Granite Wash formation underlying the S/2 of Section 11, Township 6 South, Range 33 East, to be dedicated to a well to be drilled at an unorthodox location 1300 feet from the South line and 660 feet from the East line of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

- CASE 7456:** Application of Colonial Production Company for gas well commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the commingling of Ballard-Pictured Cliffs production from its Jicarilla Apache Wells Nos. 9 and 10, located in Units A and C of Section 15, Township 23 North, Range 4 West, prior to metering.
- CASE 7457:** Application of E. T. Ross for nine non-standard gas proration units, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval for nine 40-acre non-standard gas proration units in the Bravo Dome Carbon Dioxide Area. In Township 19 North, Range 30 East: Section 12, the NW/4 NW/4 and NE/4 NW/4; Section 14, the NW/4 NE/4, SW/4 NE/4, and SE/4 NE/4. In Township 20 North, Range 30 East: Section 11, the NE/4 SW/4, SW/4 SE/4, SE/4 SW/4, and NW/4 SE/4.
- CASE 7458:** Application of Marks & Garner Production Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of salt water into the Bough C formation in the perforated interval from 9596 feet to 9616 feet in its Betenbough Well No. 2, located in Unit M of Section 12, Township 9 South, Range 35 East.
- CASE 7459:** Application of Red Mountain Associates for the Amendment of Order No. R-6538, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-6538, which authorized applicant to conduct waterflood operations in the Chaco Wash-Mesa Verde Oil Pool. Applicant seeks approval for the injection of water through various other wells than those originally approved, seeks deletion of the requirement for packers in injection wells, and seeks an increase in the previously authorized 68-pound limitation on injection pressure.
- CASE 7460:** Application of Northwest Pipeline Corporation for 13 non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for 13 non-standard Pictured Cliffs gas proration units ranging in size from 142.39 acres to 176.77 acres and each comprised of various contiguous lots or tracts in Sections 4, 5, 6, 7, and 18 of Township 31 North, Range 7 West. Said proration units result from corrections in the survey lines on the North and West sides of Township 31 North, Range 7 West and overlap seven non-standard Mesaverde proration units previously approved by Order No. R-1066.
- CASE 7461:** Application of Wainoco Oil & Gas Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a well to be drilled at an unorthodox location 660 feet from the South and West lines of Section 18, Township 16 South, Range 37 East, Northeast Lovington Penn Pool, said location being 177.7 feet west of the center of Lot 4 whereas the pool rules specify that well be drilled within 150 feet of the center of the lot. Lots 3 and 4 of said Section 18 would be dedicated to the well.
- CASE 7421:** (Readvertised)
- Application of Doyle Hartman for compulsory pooling, unorthodox well location and non-standard spacing unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying a 120-acre non-standard spacing unit consisting of the S/2 SW/4 and the NW/4 SW/4 of Section 3, Township 20 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 330 feet from the West line of Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

Docket No. 2-82

DOCKET: COMMISSION HEARING - MONDAY- JANUARY 11, 1982
9 A.M. - OIL CONSERVATION COMMISSION - ROOM 205
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 7393: [DE NOVO]

Application of Uriah Exploration Incorporated for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cisco, Canyon and Morrow formations underlying the W/2 of Section 13, Township 22 South, Range 24 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well.

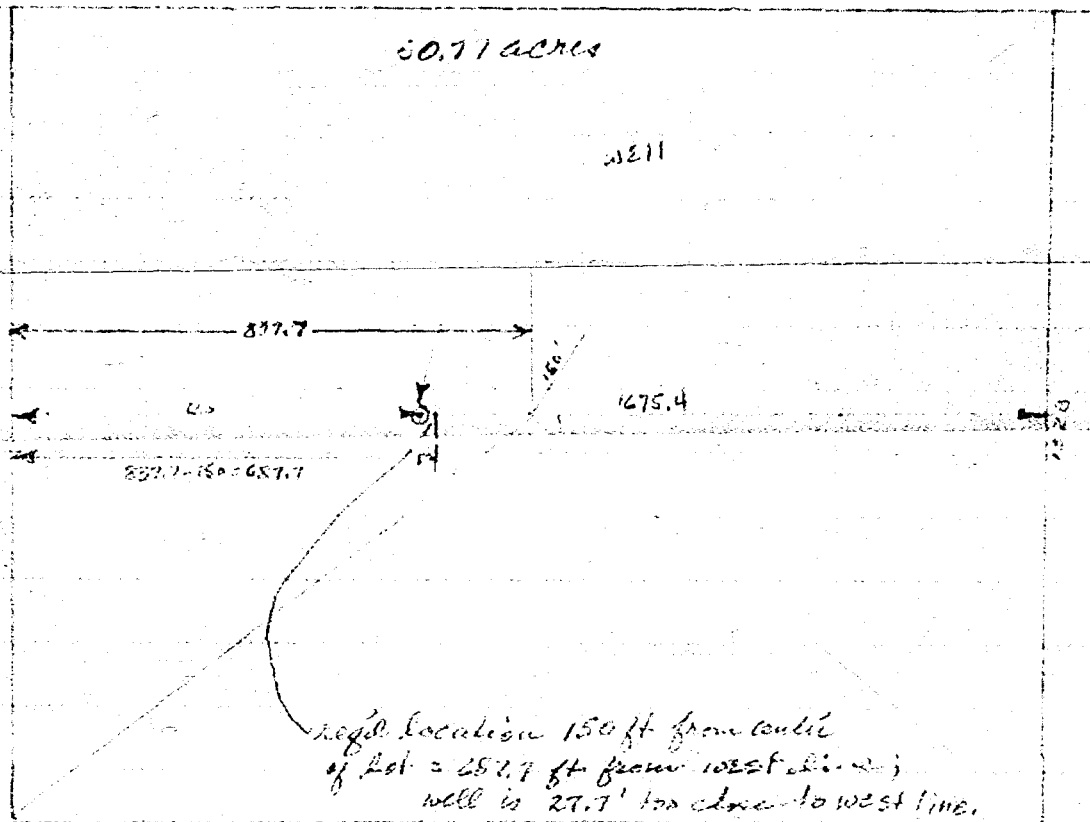
Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 7394: (DE NOVO)

Application of Supron Energy Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a Pennsylvanian well to be drilled 467 feet from the North line and 1650 feet from the West line of Section 13, Township 22 South, Range 24 East, the N/2 of said Section 13 to be dedicated to the well.

Upon application of Supron Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Lot 14, Sec. 1 - 16.00



$$50.77 \text{ acres} \times 43,560 \frac{\text{sq ft}}{\text{ac}} = 2,211,541.2 \text{ sq ft}$$

$$\frac{2,211,541.2}{132.0} = 16,754 \frac{\text{ft}}{\text{mi}} \text{ East-west on center line}$$

ERNEST L. PADILLA
ATTORNEY AND COUNSELOR AT LAW

P.O. Box 2523
Santa Fe, New Mexico 87501
(505) 988-7577

December 16, 1981

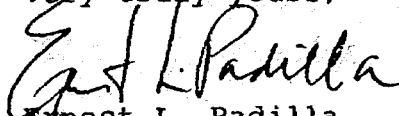
Joe D. Ramey, Director
Oil Conservation Division
Post Office Box 2088
Santa Fe New Mexico 87501

Dear Mr. Ramey:

Enclosed for filing in triplicate is the application
of Wainoco Oil and Gas Company for unorthodox location in Lea
County, New Mexico.

Please docket this application for the January 6, 1982
hearing date. Thank you.

Very truly yours,


Ernest L. Padilla

ELP:pfm
Enclosure

cc: Wainoco Oil & Gas Company
Howard Dennis

BEFORE THE
OIL CONSERVATION DIVISION

In the Matter of the :
Application of Wainoco :
Oil & Gas Company for :
an Unorthodox Location, :
Lea County, New Mexico :

No. 2461

A P P L I C A T I O N

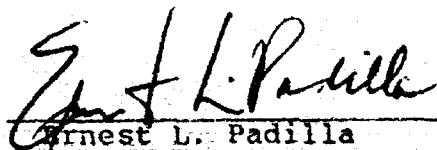
Applicant, Wainoco Oil & Gas Company, by and through
its undersigned attorney, and in support of this application
states as follows:

1. That Applicant is the operator of a proration unit comprised of Lots 3 and 4 of Section 18, Township 16 South, Range 37 East NMPM, Lea County, New Mexico.
2. That Applicant has commenced a well located 660 FSL and 660 FWL of said Section 18 to test the Strawn Zone of the Pennsylvania formation.
3. That said well location is unorthodox by approximately 27.7 feet, inasmuch as it is approximately 177.7 feet from the center of Lot 4.
4. That the special pool rules promulgated for the Northeast-Lovington-Pennsylvanian Pool by Oil Conservation Commission Order No. R-3816 require that said well be drilled within 150 feet from the center of a forty-acre subdivision or lot.
5. That approval of this application will be in the best interests of conservation and will not impair correlative rights.

WHEREFORE, Applicant respectfully requests:

1. That this application be set for hearing before an examiner of the Division and that notice of said hearing be given as required by law.
2. That upon hearing the Division enter its order authorizing the unorthodox location described above.

3. And for such other relief as the Division may deem proper.



Ernest L. Padilla
Post Office Box 2523
Santa Fe, New Mexico 87501
505-988-7577

Attorney for Applicant

Heard
Deputy

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. 7461

Order No. R-6885

APPLICATION OF WAINOCO OIL & GAS COMPANY
FOR AN UNORTHODOX LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 6,
1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of January, 1982, 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, Wainoco Oil & Gas Company, seeks approval of an unorthodox ^{oil} ~~gas~~ well location 660 feet from the South line and 660 feet from the West line of Section 18, Township 16 South, Range 37 East, NMPM, ~~to test the~~ ^{-Perryman Pool} ~~formation~~, Northeast Lovington ~~Penn-Pool~~, Lea County, New Mexico said location being ^{179.3} ~~179.7~~ feet west of the center of Lot 4 whereas the pool rules specify that well be drilled within 150 feet of the center of the lot.

(3) That Lots 3 and 4 of said Section 18 are 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.~~

(4) ¹⁸¹ That no offset operator objected to the proposed unorthodox location.

(5) ¹⁸¹ 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:

The application of Wainoco Oil & Gas Company for

(1) That an unorthodox ~~oil~~ well location ~~for the~~

~~formation~~ is hereby approved
for a well to be located at a point 660 feet from the South line
and 660 feet from the West line of Section 18, Township 16
South, Range 37 East, NMPM, Lea County, New Mexico, ~~said~~
Northeast Lovington - Pampa, Louisiana Pool,
~~location being 177.7 feet west of the center of Lot 4 whereas~~
~~the pool rules specify that well be drilled within 150 feet of~~
~~the center of the lot.~~

(2) That Lots 3 and 4 of said Section 18 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

S E A L

UNITED STATES MARSHAL SERVICE
DOCTRINE COMMINGLING, LEA COUNTY, NEW
MEXICO

1477C
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DOCKET MAILED

Date 1/8/82
1/25/82
2/5/82