

Entered March 14, 1974
A.S.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 5186
Order No. R-4757

APPLICATION OF AMERADA HESS
CORPORATION FOR AN UNORTHODOX OIL
WELL LOCATION AND TWO NON-STANDARD
OIL PRORATION UNITS, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 13, 1974, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

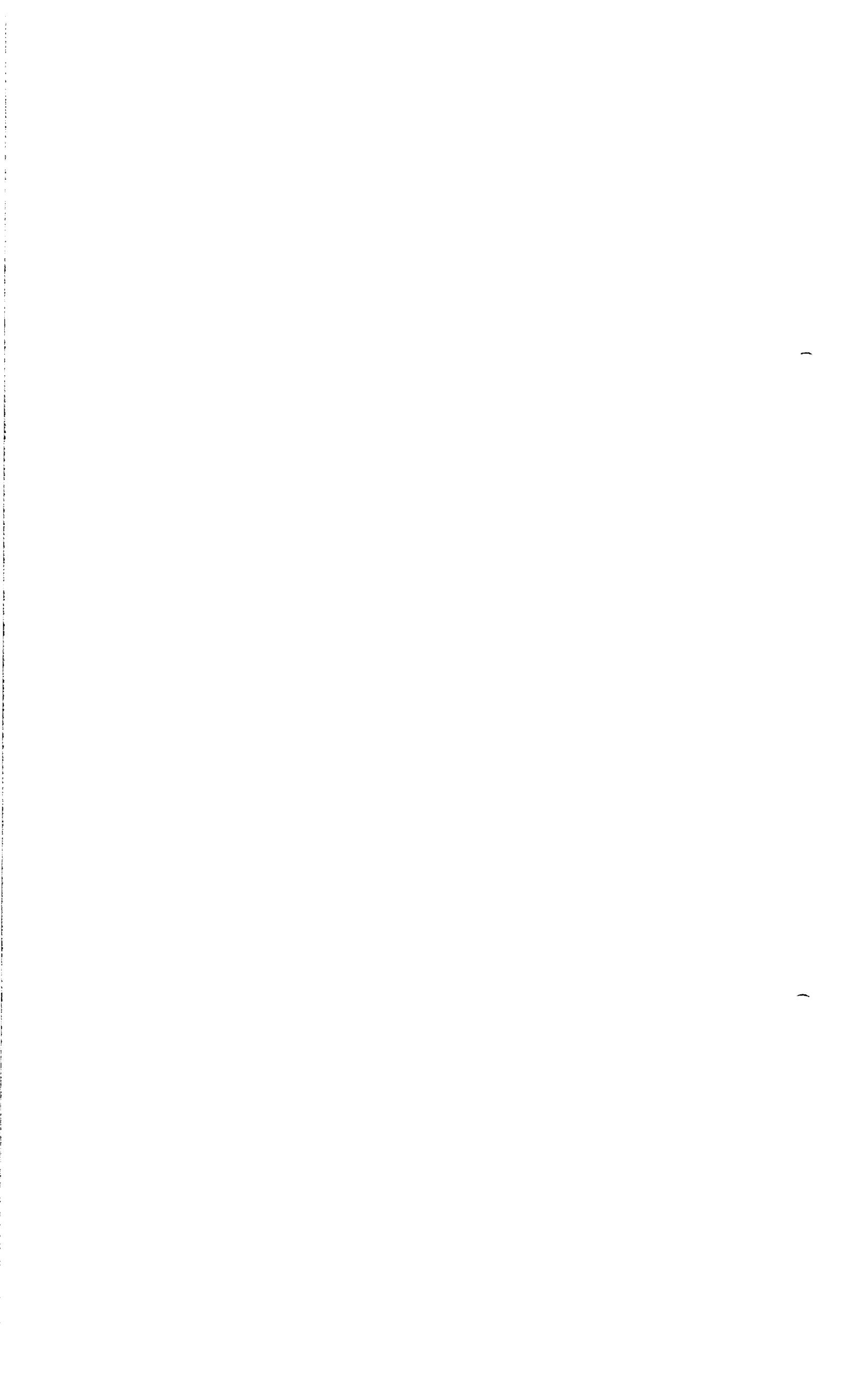
NOW, on this 26th day of March, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Amerada Hess Corporation, seeks, as an exception to the Bagley Siluro-Devonian Pool Rules, the formation of two non-standard proration units in Section 35, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, the first being a 40-acre unit comprising the NW/4 SE/4 of said Section 35, to be dedicated to applicant's State BTD Well No. 2 located on said 40-acre tract, and the second being an 80-acre unit comprising the SE/4 SW/4 and the SW/4 SE/4 of said Section 35 to be dedicated to a new well proposed to be drilled at an unorthodox location for said pool 660 feet from the South line and 1900 feet from the East line of said Section 35.

(3) That a well drilled at the proposed unorthodox location should encounter the pay zone higher on the structure and should recover more oil than would a well drilled at a standard location.



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(4) That approval of the subject application will prevent the drilling of unnecessary wells, will afford the applicant the opportunity to produce his just and equitable share of the oil in the Siluro-Devonian formation, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amerada Hess Corporation, is hereby granted approval of an 40-acre non-standard oil proration unit comprising the NW/4 SE/4 of Section 35 to be dedicated to applicant's State BTD Well No. 2 located on said 40-acre tract and an 80-acre non-standard oil proration unit comprising the SE/4 SW/4 and the SW/4 SE/4 of Section 35 to be dedicated to a new well proposed to be drilled at an unorthodox location 660 feet from the South line and 1900 feet from the East line of Section 35, said Section 35 being in Township 11 South, Range 33 East, NMPM, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

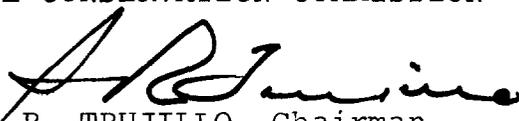
(2) Applicant is further authorized to drill a new well in the Bagley-Siluro-Devonian Pool at an unorthodox location 660 feet from the South line and 1900 feet from the East line of said Section 35.

(3) That the allowable for the above-described 40-acre non-standard oil proration unit shall bear the same ratio to a standard allowable as 40 bears to 80.

(4) That 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


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

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