

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. 9612
ORDER NO. R-8885

APPLICATION OF PENNZOIL EXPLORATION AND
PRODUCTION COMPANY FOR AN UNORTHODOX
OIL WELL LOCATION, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 1, 1989, at Santa Fe, New Mexico, before Examiner Victor T. Lyon.

NOW, on this 14th day of March, 1989, 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, Pennzoil Exploration and Production Company, seeks approval of an unorthodox oil well location 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 21, Township 17 South, Range 37 East, NMPM, to test the Undesignated Humble City-Strawn Pool, Lea County, New Mexico.

(3) The E/2 NE/4 of said Section 21 is to be dedicated to the well forming a standard 80-acre oil spacing and proration unit.

(4) A well at an unorthodox location should better enable the applicant to produce the oil underlying the proration unit, since a well drilled at a standard location in the NE/4 NE/4 was dry.

(5) No offset operator objected to the proposed unorthodox location and the operator of the tract being crowded furnished a wavier of objection.

Case No. 9612
Order No. R-8885
Page No. 2

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected 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:

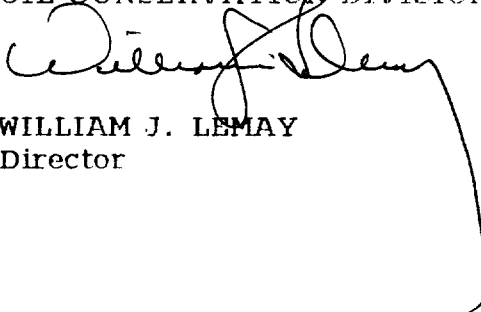
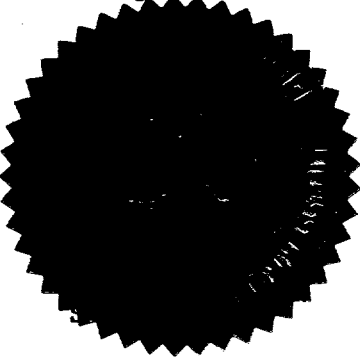
(1) The application of Pennzoil Exploration and Production Company for an unorthodox oil well location for the Undesignated Humble City-Strawn Pool is hereby approved for a well to be located at a point 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 21, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The E/2 NE/4 of said Section 21 shall be dedicated to the above-described well forming an oil spacing and proration unit for said pool.

(3) 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



WILLIAM J. LEMAY
Director

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. 9612 (Reopened)
Order No. R-8885-A

APPLICATION OF PENNZOIL EXPLORATION
AND PRODUCTION COMPANY FOR AN
UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 26, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 5th day of May, 1989, 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, Pennzoil Exploration and Production Company, seeks approval of an unorthodox oil well location 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 21, Township 16 South, Range 37 East, NMPM, Undesignated Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico, the E/2 NE/4 of said Section 21 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool.

(3) This case was originally heard before the Division on March 1, 1989. On March 14, 1989, Division Order No. R-8885 was entered approving Pennzoil Exploration and Production Company's proposed unorthodox oil well location.

(4) Testimony presented and the record in this case indicates that the docket for the March 1 hearing for Case No. 9612 and Division Order No. R-8885 both erroneously described the proposed well location as being 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 21, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico, and incorrectly described the pool as being the Undesignated Humble City-Strawn Pool.

(5) Pennzoil Exploration and Production Company seeks, in the immediate case, an order correctly describing the location of the subject well as being in Township 16 South instead of Township 17 South, and correctly describing the pool as being the Undesignated Northeast Lovington-Pennsylvanian Pool.

(6) The only affected offset operator, Wolverine Exploration Company, was duly notified of the correctly described proposed unorthodox location prior to the March 1 hearing and executed a waiver of objection to said correct unorthodox location.

(7) Division Order No. R-8885 should be amended to correctly describe the proposed unorthodox oil well location and pool description.

IT IS THEREFORE ORDERED THAT:

(1) Ordering Paragraph No. (1) of Division Order No. R-8885 is hereby amended to read in its entirety as follows:

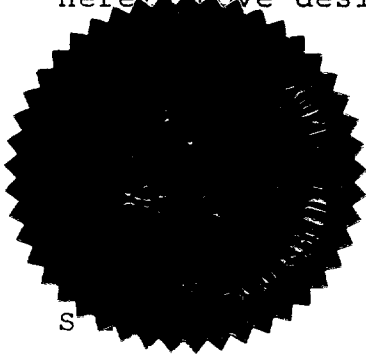
"(1) The application of Pennzoil Exploration and Production Company for an unorthodox oil well location for the Undesignated Northeast Lovington-Pennsylvanian Pool is hereby approved for a well to be drilled at a point 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 21, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico."

(2) All other provisions of said Order No. R-8885 shall remain in full force and effect.

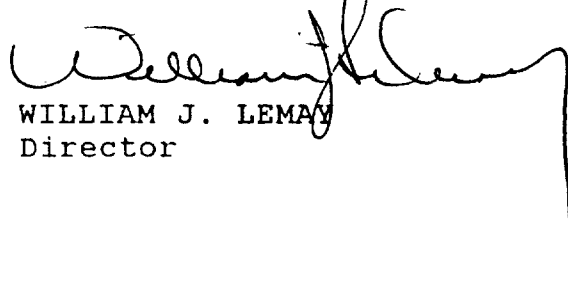
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 9612 (Reopened)
Order No. R-8885-A
Page -3-

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director