

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. 9613
ORDER NO. R-8886

APPLICATION OF CHEVRON U.S.A., INC.
FOR AN UNORTHODOX OIL WELL LOCATION
AND A NON-STANDARD OIL PRORATION UNIT,
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, Chevron U.S.A., Inc., seeks approval of an unorthodox oil well location 940 feet from the North line and 2210 feet from the West line (Unit C) of Section 2, Township 17 South, Range 37 East, NMPM, to test the Shipp-Strawn Pool, Lea County, New Mexico.

(3) Lots 3 and 4 of said Section 2 are to be dedicated to the well forming a non-standard 82.37-acre oil spacing and proration unit for said pool.

(4) A well at the proposed unorthodox location will better enable the applicant to produce the oil underlying the proration unit.

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

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(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.

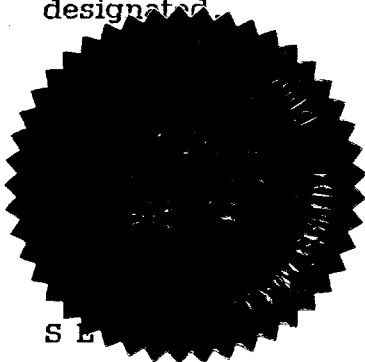
IT IS THEREFORE ORDERED THAT:

(1) The application of Chevron U.S.A., Inc. for an unorthodox oil well location for the Shipp-Strawn Pool is hereby approved for a well to be located at a point 940 feet from the North line and 2210 feet from the West line of Section 2, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

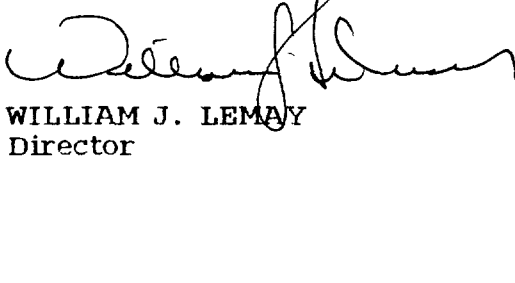
(2) Lots 3 and 4 of said Section 2 shall be dedicated to the above-described well forming a non-standard 82.37-acre oil spacing and proration unit for said pool.

(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

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