

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. 9800
ORDER NO. R-9053

APPLICATION OF W. E. JEFFERS FOR
AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 1, 1989 and November 15, 1989, at Santa Fe, New Mexico, before Examiners Victor T. Lyon and David R. Catanach, respectively.

NOW, on this 21st day of November, 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, W. E. Jeffers, seeks approval of an unorthodox oil well location 2310 feet from the South line and 2452 feet from the West line (Unit K) of Section 2, Township 18 South, Range 28 East, NMPM, to test the Artesia Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.

(3) The NE/4 SW/4 of said Section 2 is to be dedicated to the said well and to the existing Featherstone State Well No. 4 located at a standard oil well location 1650 feet from the South and West lines of said Section 2 forming a standard 40-acre spacing and proration unit for said pool.

(4) Applicant holds a lease on a tract containing 160 acres described as SW/4 NE/4, NW/4 SE/4, NE/4 SW/4 and SE/4 NW/4 of said Section 2 and has drilled five wells thereon at standard locations, one of which was dry and abandoned.

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(5) The lease is marginally productive, and produced less than two barrels of oil per day per well during the first nine months of 1989.

(6) Applicant desires to drill a second well on the NE/4 SW/4 (Unit K) at a standard location but is unable to do so because of proximity to an electric power line at the desired location and therefore desires to move this well toward the center of the lease to a drillable location as described above.

(7) Moving the location as requested will not impair correlative rights since the allowable for the spacing and proration unit will be shared with Well No. 4 and the location does not encroach on offset leases.

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

(9) No offset operator objected to the proposed unorthodox location.

(10) 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:

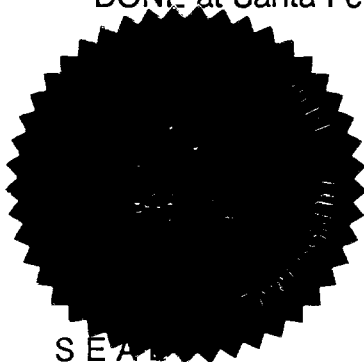
(1) The application of W. E. Jeffers for an unorthodox oil well location for the Artesia Queen-Grayburg-San Andres Pool is hereby approved for a well to be located at a point 2310 feet from the South line and 2452 feet from the West line of Section 2, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) The NE/4 SW/4 of said Section 2 shall be dedicated to the above-described well and to the existing Featherstone State Well No. 4 located at a standard oil well location 1650 feet from the South and West lines of said Section 2 forming a standard 40-acre spacing and proration unit for said pool.

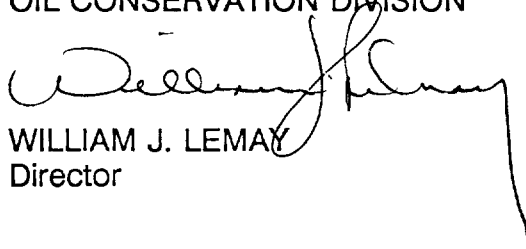
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director