

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. 8587
Order No. R-7796-A

APPLICATION OF AMERIND OIL CO. FOR
AMENDMENT OF DIVISION ORDER
NO. R-7796, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 8, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 14th day of May, 1985, 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) Division Order No. R-7796 authorized the pooling of the Strawn formation underlying the W/2 NE/4 of Section 28, Township 16 South, Range 37 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico to form a standard 80-acre oil spacing and proration unit to be dedicated to a well to be drilled at an orthodox location.

(3) The applicant, Amerind Oil Co., seeks an amendment of Division Order No. R-7796 to change the proposed location of said well to an unorthodox oil well location 1330 feet from the North line and 1980 feet from the East line of said Section 28.

(4) The W/2 NE/4 of said Section 28 is to be dedicated to the well.

(5) All other provisions of Division Order No. R-7796 should remain in force.

-2-

Case No. 8587
Order No. R-7796-A

(6) Geologic conditions are such that a well at said unorthodox location will better enable applicant to produce the oil underlying the proration unit.

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

(8) 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:

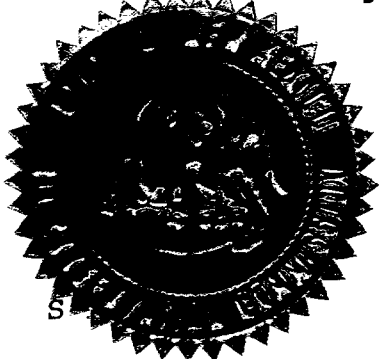
(1) Division Order No. R-7796 is hereby amended to permit the well proposed in said order to be drilled at an unorthodox location 1330 feet from the North line and 1980 feet from the East line of Section 28, Township 16 South, Range 37 East, NMPM, Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico.

(2) The W/2 NE/4 of said Section 28, a standard 80-acre oil spacing and proration unit, is to be dedicated to the well.

(3) All other provisions of Division Order No. R-7796 shall remain in force.

(4) 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

R. L. Stamets
R. L. STAMETS,
Director