

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. 8813
Order No. R-8158

APPLICATION OF NEARBURG PRODUCING
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 January 22, 1986, and on February 5, 1986, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and David R. Catanach, respectively.

NOW, on this 13th day of February, 1986, 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, Nearburg Producing Company, seeks approval of an unorthodox oil well location 2460 feet from the South line and 660 feet from the East line of Section 12, Township 17 South, Range 37 East, NMPM, to test the Strawn formation, Undesignated Humble City-Strawn Pool, Lea County, New Mexico.
- (3) The N/2 SE/4 of said Section 12 is to be dedicated to the well forming a standard 80-acre spacing and proration unit in the Humble City-Strawn Pool.
- (4) At the time of the January 22, 1986 hearing the applicant requested the proposed unorthodox location be amended to 2460 feet from the South line and 760 feet from the East line of said Section 12.

(5) The applicant owns 100 percent of the interest in all of the acreage surrounding the N/2 SE/4 of said Section 12 with the exception of the W/2 SW/4 of Section 7, Township 17 South, Range 38 East, NMPM, Lea County, New Mexico, immediately to the east and southeast of the proposed 80-acre proration unit.

(6) The amended location is further from this offsetting acreage than the original location and should therefore be considered at this time without further notice.

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

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

(9) 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:

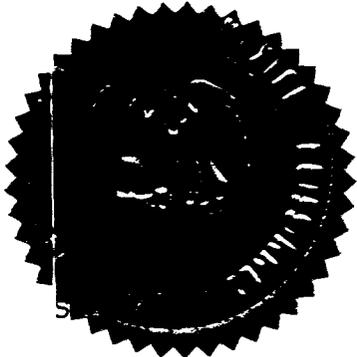
(1) The application of Nearburg Producing Company for an unorthodox oil well location for the Strawn formation is hereby approved for a well to be located at a point 2460 feet from the South line and 760 feet from the East line of Section 12, Township 17 South, Range 37 East, NMPM, Undesignated Humble City-Strawn Pool, Lea County, New Mexico.

(2) The N/2 SE/4 of said Section 12 shall be dedicated to the above-described well.

(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

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