

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. 9067
Order No. R-8366-A

APPLICATION OF PENNZOIL COMPANY
TO AMEND THE UNORTHODOX LOCATION
AUTHORIZED BY DIVISION ORDER NO.
R-8366, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 21, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 25th day of March, 1987, 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) By Division Order No. R-8366, entered in Case No. 9003, the Division authorized the applicant, Pennzoil Company, to drill its Viersen Well No. 3 at an unorthodox location 150 feet from the South line and 1980 feet from the East line of Section 4, Township 17 South, Range 37 East, NMPM, Shipp-Strawn Pool, Lea County, New Mexico, due to geologic and offset drainage considerations.

(3) At the time of the original hearing, Exxon Corporation, Hanley Petroleum Inc., and Barbara Fasken, who are interest owners in the offsetting units, appeared and objected to the proposed unorthodox location.

(4) The applicant, Pennzoil Company, now seeks to amend Order No. R-8366 to move its proposed well location to a point 150 feet from the South line and 2080 feet from the East line of said Section 4 in order to avoid a gas pipeline.

-2-

Case No. 9067

Order No. R-8366-A

(5) No offset operator, as described in Finding No. (3), appeared in opposition to the proposed amended location, the subject of the present case.

(6) The proposed amended well location is justified and should be approved.

(7) All other provisions contained in Division Order No. R-8366 should remain in full force and effect.

IT IS THEREFORE ORDERED THAT:

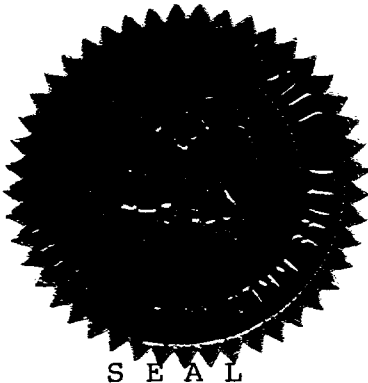
(1) Ordering Paragraph No. (1) of Division Order No. R-8366, entered in Case No. 9003, is hereby amended to read in its entirety as follows:

"(1) The application of Pennzoil Company for an unorthodox oil well location for the Shipp-Strawn Pool is hereby approved for a well to be drilled at a point 150 feet from the South line and 2080 feet from the East line of Section 4, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico."

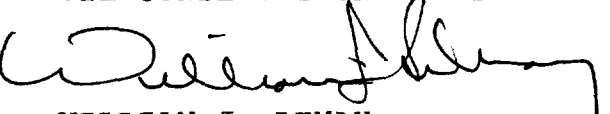
(2) All other provisions contained in Order No. R-8366 shall remain in full force and effect.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

fd/