

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. 9193
Order No. R-8506

APPLICATION OF CONOCO INC. FOR AN
UNORTHODOX OIL WELL LOCATION,
MCKINLEY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 12, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this ~~18th~~ day of September, 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) The applicant, Conoco Inc., seeks approval of an unorthodox oil well location 1390 feet from the North line and 1720 feet from the West line (Unit F) of Section 9, Township 18 North, Range 10 West, NMPM, to test the Entrada formation, McKinley County, New Mexico.

(3) The SE/4 NW/4 of said Section 9 is to be dedicated to the well.

(4) The Entrada formation in this area was deposited as an eolian sand overlain by lacustrine limestones and anhydrites of the Todilto formation. These small "dune-like" structures act as the trapping mechanism for the accumulations of oil in the Entrada formation.

(5) In order to maximize the chances of having a successful well it is imperative to drill as close as possible to the crest of one of the dunes.

(6) The geophysical evidence indicates that a well at the above-described location will better enable the applicant to penetrate a dune crest and test for oil in the Entrada formation.

(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 formation, 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 Conoco Inc. for an unorthodox oil well location in the Entrada formation is hereby approved for a well to be located at a point 1390 feet from the North line and 1720 feet from the West line (Unit F) of Section 9, Township 18 North, Range 10 West, NMPM, McKinley County, New Mexico.

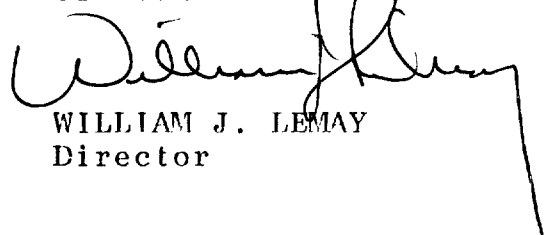
(2) The SE/4 NW/4 of said Section 9 shall be dedicated to the above-described well.

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

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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