

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. 9322  
Order No. R-8620

APPLICATION OF METEX PIPE AND  
SUPPLY 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 March 16, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of March, 1988, 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, Metex Pipe and Supply, seeks approval of an unorthodox oil well location for its State "P" Well No. 3 to be drilled 100 feet from the North line and 1520 feet from the East line (Unit B) of Section 24, Township 21 South, Range 34 East, NMPM, Wilson Yates-Seven Rivers Pool, Lea County, New Mexico.

(3) The applicant proposes to dedicate a standard 40-acre spacing and proration unit consisting of the NW/4 NE/4 of said Section 24 to the above described well.

(4) The applicant presented testimony and evidence which indicates that the Stanolind Oil and Gas Company State "P" Well No. 2 located 330 feet from the North line and 1650 feet from the East line of said Section 24 was drilled in 1945 and was subsequently completed in the Wilson Yates-

Seven Rivers Pool where it produced approximately 93,000 barrels of oil before it was plugged and abandoned due to excessive water production in 1952.

(5) The applicant further testified that as a result of a strong water drive mechanism and reservoir dynamics, a substantial portion of the oil underlying the SW/4 SE/4 of said Section 24 was not drained by the aforesaid State "P" Well No. 2.

(6) Additional testimony by the applicant indicated that a well at the proposed location should recover a substantial amount of remaining recoverable reserves underlying the SW/4 SE/4 of said Section 24, thereby preventing waste.

(7) All affected offset acreage to the proposed unorthodox location is currently operated by the applicant.

(8) No other offset operator appeared and 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 subject 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:

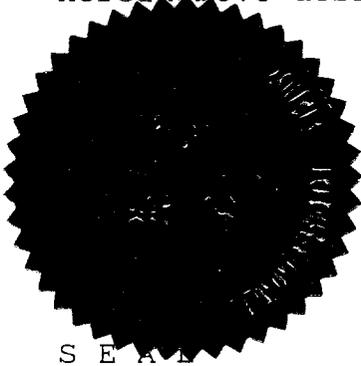
(1) The applicant, Metex Pipe and Supply, is hereby authorized to drill its State "P" Well No. 3 at an unorthodox location 100 feet from the North line and 1520 feet from the East line (Unit B) of Section 24, Township 21 South, Range 34 East, NMPM, Wilson Yates-Seven Rivers Pool, Lea County, New Mexico.

(2) The NW/4 NE/4 of said Section 24 shall be dedicated to the well.

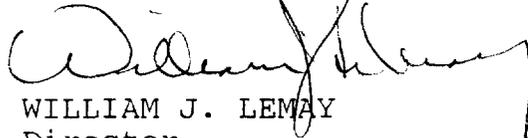
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 9322  
Order No. R-8620  
Page -3-

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director