

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. 9365  
Order No. R-8650

APPLICATION OF HANLEY PETROLEUM, INC.  
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 April 27, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 5th day of May, 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, Hanley Petroleum, Inc., seeks approval of an unorthodox oil well location 990 feet from the South line and 330 feet from the West line (Unit M) of Section 10, Township 17 South, Range 37 East, NMPM, to test the Undesignated Shipp-Strawn Pool or the Undesignated Humble City-Strawn Pool, Lea County, New Mexico.

(3) The W/2 SW/4 of said Section 10 is to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for either pool.

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

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

(6) 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.

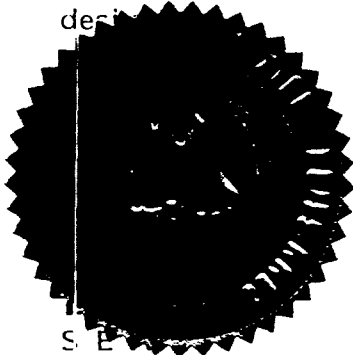
IT IS THEREFORE ORDERED THAT:

(1) The application of Hanley Petroleum, Inc. for an unorthodox oil well location to test the Undesignated Shipp-Strawn Pool or the Undesignated Humble City-Strawn Pool is hereby approved for a well to be located at a point 990 feet from the South line and 330 feet from the West line (Unit M) of Section 10, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

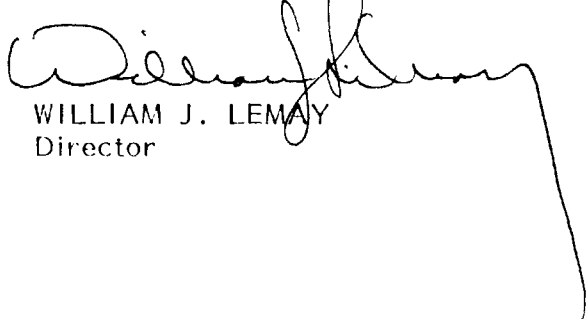
(2) The W/2 SW/4 of said Section 10 shall be dedicated to the above-described well forming a standard 80-acre oil spacing and proration unit for either pool.

(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  
described.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director