

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. 8242
Order No. R-7598

APPLICATION OF PETRUS OPERATING
COMPANY, INC. FOR AN UNORTHODOX OIL
WELL LOCATION AND NON-STANDARD PRORATION
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on July 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 23rd day of July, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Petrus Operating Company, Inc., seeks approval of a 40-acre non-standard oil proration unit comprising the NE/4 SE/4 of Section 34, Township 11 South, Range 33 East, NMPM, Bagley Siluro-Devonian Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location within 50 feet of the center of said quarter-quarter section.

(3) That the entire non-standard proration unit may reasonably be presumed productive of oil from the Bagley-Siluro Devonian Pool and that the entire non-standard oil proration unit can be efficiently and economically drained and developed by the aforesaid well.

(4) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Baley-Siluro Devonian Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an

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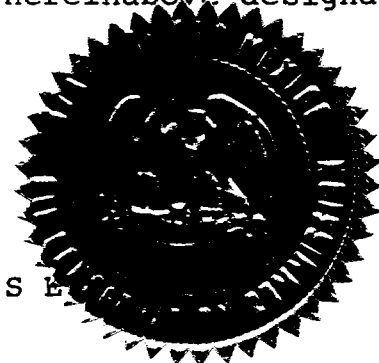
excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Petrus Operating Company, Inc. for a 40-acre non-standard spacing and proration unit in the Bagley-Siluro Devonian Pool comprising the NE/4 SE/4 of Section 34, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, is hereby approved, said unit to be dedicated to a well to be drilled at an unorthodox location within 50 feet of the center of said quarter-quarter section which location is also hereby approved.

(2) That 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

Joe D. Ramey
JOE D. RAMEY,
Director