

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. 9022  
Order No. R-8351

APPLICATION OF PENNZOIL COMPANY 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 November 5, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of November, 1986, 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, Pennzoil Company, seeks approval of an unorthodox oil well location to be drilled 1300 feet from the North line and 1980 feet from the West line of Section 3, Township 17 South, Range 37 East, NMPM, Undesignated Shipp-Strawn Pool, Lea County, New Mexico.

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

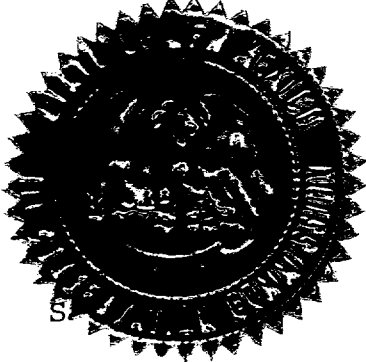
IT IS THEREFORE ORDERED THAT:

(1) The application of Pennzoil Company for an unorthodox oil well location for the Undesignated Shipp-Strawn Pool is hereby approved for a well to be drilled at a point 1300 feet from the North line and 1980 feet from the West line of Section 3, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The E/2 NW/4 of said Section 3 shall be dedicated to the above-described well forming a standard 80-acre oil spacing and proration unit for said 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 designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*R. L. Stamets*  
R. L. STAMETS,  
Director