

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. 9034
Order No. R-8369

APPLICATION OF CITIES SERVICE OIL
AND GAS CORPORATION 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 19 and December 17, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of December, 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, Cities Service Oil and Gas Corporation, seeks approval of an unorthodox oil well location for its proposed Elkan "A" Well No. 2 to be drilled 2310 feet from the North line and 990 feet from the West line (Unit E) of Section 25, Township 13 South, Range 34 East, NMPM, to test the Bough "C" member of the Cisco formation, Alston Ranch-Upper Pennsylvanian Pool, Lea County, New Mexico.

(3) The W/2 NW/4 of said Section 25 is to be dedicated to the well.

(4) Geologic evidence presented at the hearing showed that 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.

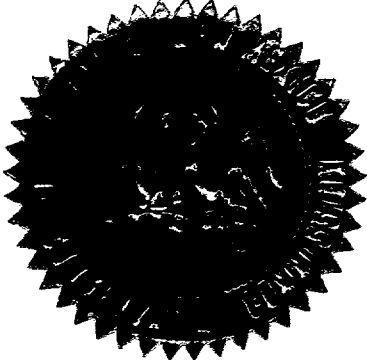
IT IS THEREFORE ORDERED THAT:

(1) The application of Cities Service Oil and Gas Corporation for an unorthodox oil well location for the Bough "C" member of the Cisco formation is hereby approved for a well to be located at a point 2310 feet from the North line and 990 feet from the West line (Unit E) of Section 25, Township 13 South, Range 34 East, NMPM, Alston Ranch-Upper Pennsylvanian Pool, Lea County, New Mexico.

(2) The W/2 NW/4 of said Section 25 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS
Director