

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. 9404
Order No. R-8675

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR A NON-STANDARD OIL
PRORATION UNIT AND 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 June 8, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of June, 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, Nearburg Producing Company, seeks approval of an unorthodox oil well location 330 feet from the North and West lines (Unit D) of Section 30, Township 16 South, Range 37 East, NMPM, Undesignated Northeast Lovington-Pennsylvanian Pool, Lea County, New Mexico, said well to be dedicated to a 100.49-acre non-standard oil proration unit consisting of Lots 1 and 2 of said Section 30.

(3) The above described location is within one mile of the outer boundary of the Northeast Lovington-Pennsylvanian Pool which is currently governed by Special Rules and Regulations as promulgated by Division Order No. R-3816 dated August 14, 1969, which require 80-acre spacing and proration units with wells to be located within 150 feet of the center of a governmental quarter-quarter section or lot.

(4) The applicant failed to present sufficient geological evidence and testimony at the hearing to justify the request for the proposed unorthodox oil well location.

(5) The applicant's request for an unorthodox location for the subject well should be denied.

(6) The applicant further requested approval of a 100.49-acre non-standard oil proration unit consisting of Lots 1 and 2 of said Section 30, which is necessitated by a variation in the U.S. Public Lands Survey.

(7) Approval of the proposed non-standard oil proration unit should be contingent upon the drilling of a well at a standard location or a subsequently approved unorthodox location in Lot 1 of said Section 30.

IT IS THEREFORE ORDERED THAT:

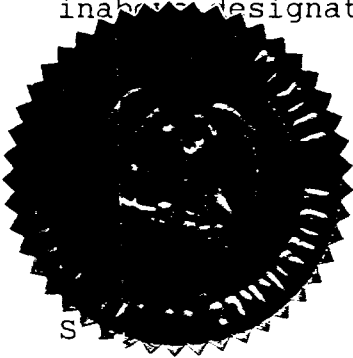
(1) The applicant's request for approval of an unorthodox oil well location 330 feet from the North and West lines (Unit D) of Section 30, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby denied.

(2) A 100.49-acre non-standard oil proration unit consisting of Lots 1 and 2 of said Section 30 for the Northeast Lovington-Pennsylvanian Pool is hereby approved; provided that said proration unit shall be dedicated to a well drilled at a standard oil well location or a subsequently approved unorthodox location within Lots 1 and 2 of said Section 30.

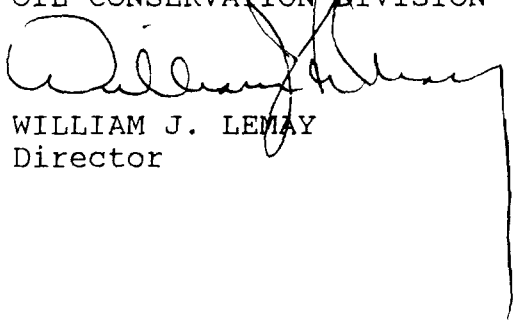
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year here-
inafter designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director