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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. 9928 (Reopened)  
ORDER NO. R-9185-A

APPLICATION OF ORYX ENERGY COMPANY  
FOR TWO UNORTHODOX GAS WELL LOCATIONS,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 25, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 5th day of September, 1991 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) Oryx Energy Company possesses the operating rights to the Atoka and Morrow formations underlying all of Section 26, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico. Currently Oryx is developing the Antelope Ridge-Atoka Gas pool in the E/2 of said Section 26 with its Ojo Chiso Federal Well No. 2 located in Unit O and the Ojo Chiso-Morrow Gas Pool in the N/2 of said Section 26 with its Ojo Chiso Federal Well No. 1 located in Unit C.

(3) On June 20, 1991 Oryx filed an application for administrative approval, based on geological reasons, to deepen its proposed Ojo Chiso Federal Well No. 3 to a sufficient depth in order to test the Morrow formation, said well to be drilled at a previously approved unorthodox Antelope Ridge-Atoka Gas well location 990 feet from the South and West lines (Unit M) of said Section 26. The applicant further requested to dedicate the S/2 of said Section 26 to the well thereby forming a standard 320-acre gas spacing and proration unit in the Morrow interval.