

Entered August 28, 1979

JLR

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. 6629
Order No. R-6089

APPLICATION OF HILLIARD OIL & GAS,
INC. FOR DIRECTIONAL DRILLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 22, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of August, 1979, 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, Hilliard Oil & Gas, Inc. seeks approval for the directional drilling of its Hanson Bonds Well No. 1, the surface location of which is 1650 feet from the North line and 330 feet from the East line of Section 20, Township 9 South, Range 35 East, Lea County, New Mexico.

(3) That the applicant seeks authority to re-enter said well, to directionally survey the hole from the surface to a depth of 11,800 feet, and to directionally drill from a kick-off point at a depth of 11,200 feet to a total depth of approximately 12,600 feet in the Devonian formation, bottoming said well within 100 feet of a point 1325 feet from the North line and 430 feet from the East line of said Section 20.

(4) That the 40-acre tract under which said well is bottomed should be dedicated to said well in the Devonian formation.

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(5) That the applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(6) That approval of the subject application will permit the drilling of the proposed well and will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Hilliard Oil & Gas, Inc., is hereby authorized to directionally drill its Hanson Bonds Well No. 1 located 1650 feet from the North line and 330 feet from the East line of Section 20, Township 9 South, Range 35 East, to a Devonian bottom hole location within 100 feet of a point 1325 feet from the North line and 430 feet from the East line of said Section 20.

PROVIDED HOWEVER, that prior to such directional drilling, applicant shall directionally survey said well from the depth of 11,800 feet to the surface and shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe Office of the Division, Box 2088, Santa Fe, New Mexico 87501.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe Office of the Division, Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(2) That Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(3) That the 40-acre tract under which said well is bottomed shall be dedicated to said well in the Devonian formation.

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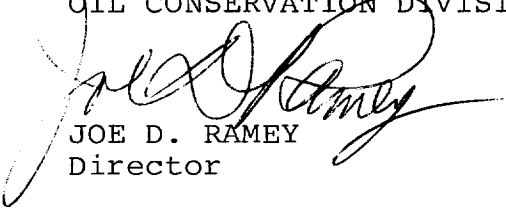
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(4) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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