

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. 7908  
Order No. R-6199-A

APPLICATION OF SHELL OIL COMPANY  
FOR UNORTHODOX LOCATIONS, DIRECTIONAL  
DRILLING, AND PRESSURE MAINTENANCE  
EXPANSION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 20, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of August, 1983, 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, Shell Oil Company, seeks authority to directionally drill five North Hobbs Unit wells at various surface and bottomhole locations on the common boundary of the South Hobbs Unit and the North Hobbs Unit, all as listed below, Lea County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

| <u>Well<br/>No.</u> | <u>Section<br/>No.</u> | <u>Surface<br/>Location</u> | <u>Bottom Hole<br/>Location</u> |
|---------------------|------------------------|-----------------------------|---------------------------------|
| 142                 | 32                     | 610' FSL & 1210' FWL        | 25' FSL & 1320' FWL             |
| 342                 | 32                     | 475' FSL & 1437' FEL        | 25' FSL & 1320' FEL             |
| 342                 | 33                     | 125' FSL & 2730' FWL        | 25' FSL & 2640' FWL             |
| 422                 | 33                     | 2181' FNL & 498' FEL        | 2640' FNL & 25' FEL             |
| 432                 | 33                     | 1842' FSL & 1029' FEL       | 1345' FSL & 1320' FEL           |

(3) That a 75-foot radius tolerance should be provided for each bottom hole location.

(4) That the quarter-quarter section wherein any one of said wells is ultimately bottomed should be dedicated to such well.

(5) That the unorthodox surface locations and the unorthodox bottom hole locations are necessitated by topography and a lease line agreement, respectively.

(6) That the applicant should be required to determine the subsurface location of the bottom of each of said holes by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling.

(7) That the applicant also seeks expansion of the North Hobbs Grayburg-San Andres Pressure Maintenance Project to permit injection into said wells.

(8) That said wells should be authorized for injection subject to all provisions of Order No. R-6199, which authorized said project.

(9) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the Hobbs Pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to directionally drill each of the following described five wells in its North Hobbs Unit from the surface location to a point within 75 feet of the bottom hole location, all as shown and approved as follows:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

| <u>Well No.</u> | <u>Section No.</u> | <u>Surface Location</u> | <u>Bottom Hole Location</u> |
|-----------------|--------------------|-------------------------|-----------------------------|
| 142             | 32                 | 610' FSL & 1210' FWL    | 25' FSL & 1320' FWL         |
| 342             | 32                 | 475' FSL & 1437' FEL    | 25' FSL & 1320' FEL         |
| 342             | 33                 | 125' FSL & 2730' FWL    | 25' FSL & 2640' FWL         |
| 422             | 33                 | 2181' FNL & 498' FEL    | 2640' FNL & 25' FEL         |
| 432             | 33                 | 1842' FSL & 1029' FEL   | 1345' FSL & 1320' FEL       |

PROVIDED HOWEVER, that prior to the above-described directional drilling, the applicant shall establish the

location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, 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, P. O. Box 2088, Santa Fe, New Mexico 87501, 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 depth in addition to measured depths.

(3) That the quarter-quarter section wherein any one of said wells is ultimately bottomed shall be dedicated to such well.

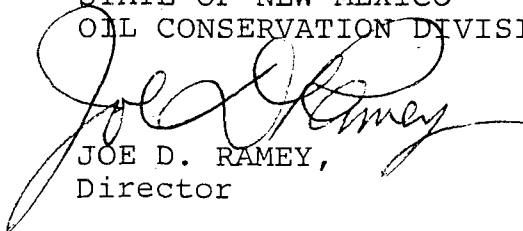
(4) That approval is also given for the expansion of the North Hobbs Grayburg-San Andres Pressure Maintenance Project to permit injection into each of the wells directionally drilled under terms of this order.

(5) That injection into and operation of said wells shall be in compliance with the provisions of Division Order No. R-6199 and Division Rules 702 through 708.

(7) 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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