

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF CHARLES B.

GILLESPIE, JR., FOR AN  
UNORTHODOX OIL WELL LOCATION,  
LEA COUNTY, NEW MEXICO.

RECEIVED

Case No. 9677

MAY 1 1989

OIL CONSERVATION DIVISION

APPLICATION

Charles B. Gillespie, Jr., hereby applies for an Order approving an unorthodox oil well location, and in support thereof states:

1. Applicant is a working interest owner in the W $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 11, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

2. Applicant proposes to drill its Shipp No. 3 Well at a location 510 feet from the North line and 990 feet from the West line of Section 11, to a depth sufficient to test the Strawn formation (approximately 11,700 feet).

3. The W $\frac{1}{2}$ NW $\frac{1}{4}$  of Section 11 shall be dedicated to the well.

4. The granting of this application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

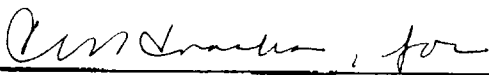
5. Applicant requests that this matter be heard at the May 24, 1989 Examiner hearing.

WHEREFORE, Applicant requests that, after hearing, the Division enter its Order approving the above-described unorthodox oil well location.

Dated: May 1, 1989.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

By   
James Bruce  
500 Marquette, N.W.  
Suite 740  
Albuquerque, New Mexico 87102  
(505) 768-1500

Attorneys for Applicant

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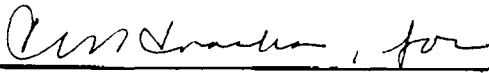
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Attorneys for Applicant

Sec. 11 Township No. 17 SOUTH of Range No. 37 EAST



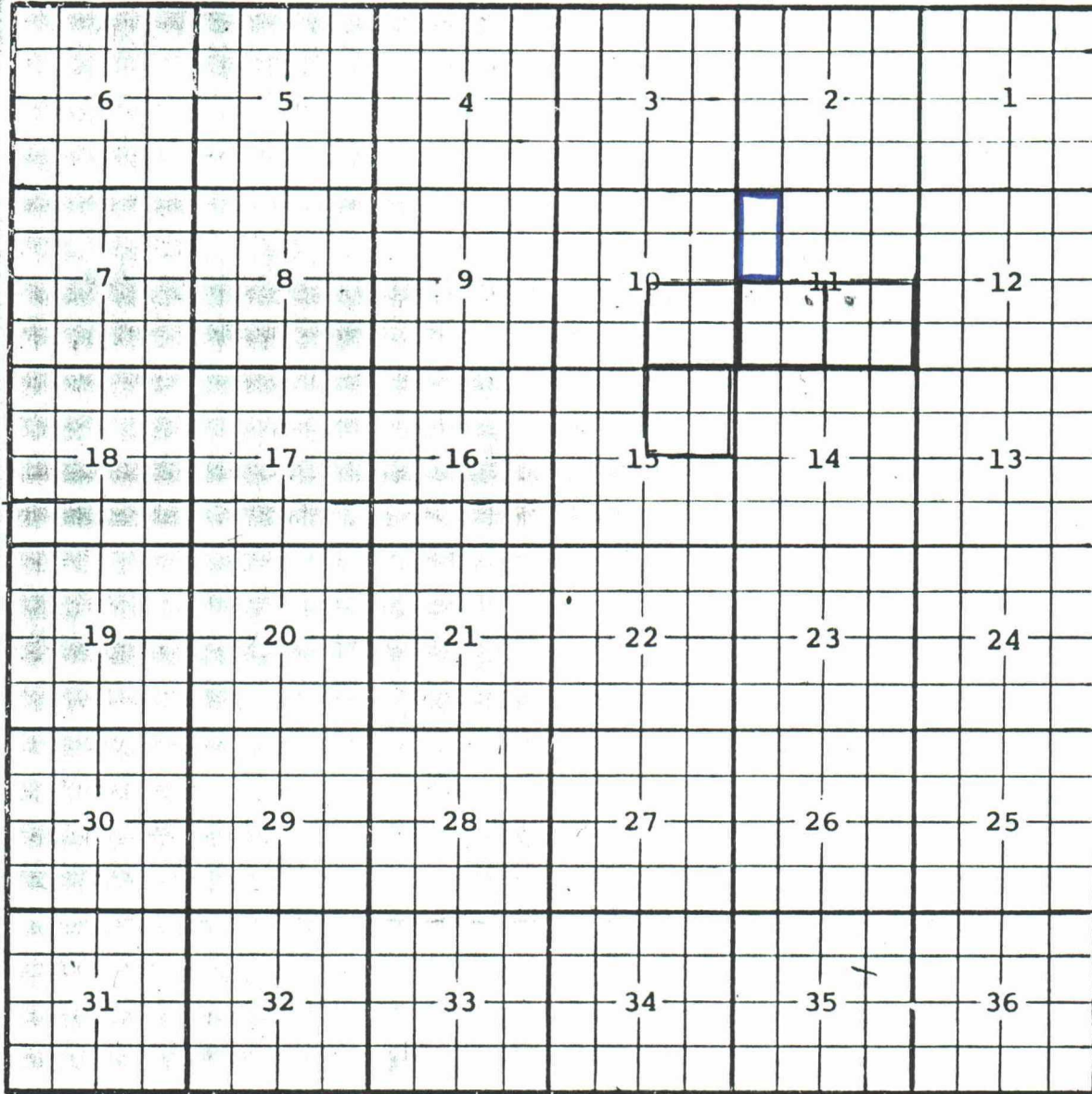
COUNTY Lea

POOL Humble City - Strawn

TOWNSHIP 17 South

RANGE 37 East

NMPM



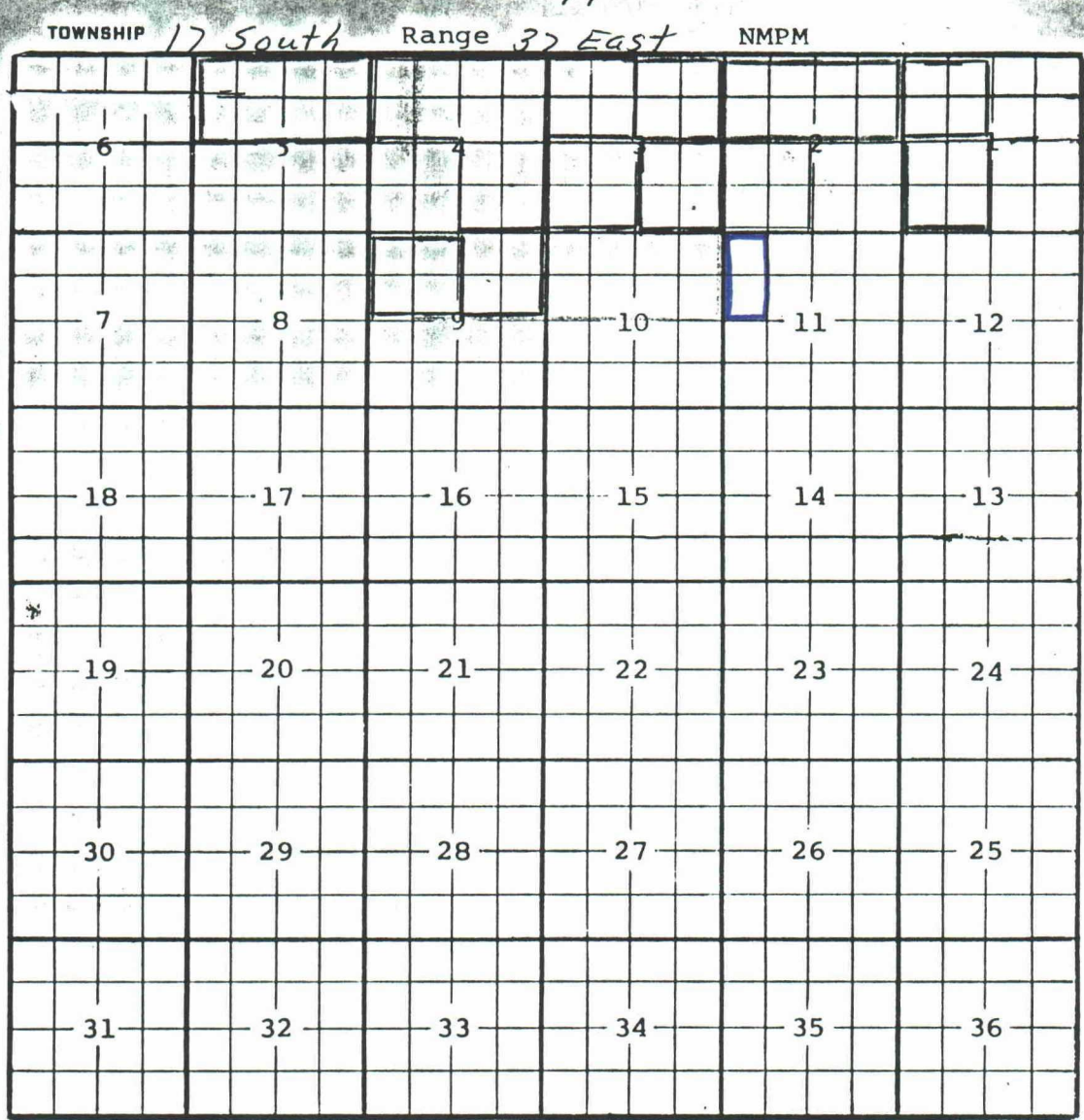
Description:  $\frac{SW}{4}$  Sec. 11 (R-4304, 6-1-72)

Ext:  $\frac{SE}{4}$  Sec. 11 (R-4338, 7-17-72) -  $\frac{SE}{4}$  Sec. 10 (R-4511, 5-1-73)

Ext:  $\frac{NE}{4}$  Sec. 15 (R-4809, 6-18-74)



County Lea Pool Shipp-Strawn



Description: All Sec. 3,  $E/2$  and  $E/2 W/2$  Sec. 4,  $NE/4$  and  $E/2 NW/4$  Sec. 9,  $N/2$  Sec. 10 (R-8062, 10-31-85)  
Amend horizontal limits to be  $N/2$  and  $SE/4$  Sec. 4 (R-8062-A, 1-21-86)  
Ext:  $NE/4$  Sec. 9 (R-8214, 5-1-86) Ext:  $NW/4$  Sec. 9 (R-8340, 11-3-86)  
Ext:  $NW/4$  Sec. 3 (R-8409, 3-7-87) Ext:  $NE/4$  Sec. 3 (R-8451, 6-3-87)  
Ext:  $SE/4$  SEC 3 (R-8533, 10/28/87) EXT:  $N/2$  SEC 5 (R-8603, 2/1/88)  
EXT:  $N/2$  SEC 2,  $SW/4$  SEC 3 (R-8626, 4/1/88) EXT:  $SW/4$  sec 2 (R-8856, 1-25-89)  
EXT:  $SW/4$  sec 1 (R-8901, 4-1-89)



[illegible]



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. 9677  
Order No. R-8941

APPLICATION OF CHARLES B.  
GILLESPIE, JR. 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 May 24, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this \_\_\_\_\_ day of May, 1989, 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, Charles B. Gillespie, Jr. seeks approval of an unorthodox oil well location for ~~its~~ proposed Shipp Well No. 3 to be located 510 feet from the North line and 990 feet from the West line (Unit D) of Section 11, Township 17 South, Range 37 East, NMPM, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, Lea County, New Mexico, the W/2 NW/4 of said Section 11 to be dedicated to the well forming a standard 80-acre spacing and proration unit for said pools.

(3) The subject well is located within one mile of the outer boundary of both the Shipp-Strawn and Humble City-Strawn ~~oil~~ Pools and is therefore subject to the special rules and regulations for said pools which require 80-acre spacing and proration units with wells to be located



within 150 feet of the center of either quarter-quarter section.

(4) The applicant presented geologic evidence and testimony which indicates that a well at the proposed location should penetrate the Strawn formation at a more structurally advantageous position than a well drilled at a standard location thereon, thereby increasing the likelihood of obtaining commercial production.

(5) The applicant is the operator of the affected offset acreage (being the E/2 NW/4 of said Section 11), and ~~no other~~ offset operator appeared at the hearing in opposition to the application.

(6) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the subject 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 applicant, Charles B. Gillespie Jr., is hereby authorized to drill ~~its~~<sup>the</sup> Shipp Well No. 3 at an unorthodox oil well location 510 feet from the North line and 990 feet from the West line (Unit D) of Section 11, Township 17 South, Range 37 East, NMPM, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, Lea County, New Mexico.

(2) The W/2 NW/4 of said Section 11 shall be dedicated to the above-described well forming a standard 80-acre spacing and proration unit for said pools.

(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.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

S E A L



WAIVER

CASE FILE - 9677

Charles B. Gillespie, Jr.  
P. O. Box 8  
Midland, Texas 79702

Attn: William R. Crow

This is to advise that the undersigned has been given due notice that Charles B. Gillespie, Jr. has made an application for an unorthodox location for the Shipp Well No. 3 in the Humble City Strawn Pool.

We hereby waive any objection to the granting of this application for the above well which will be located 510' FNL and 990' FWL of Section 11, T-17-S, R-37-E, Lea County, New Mexico.

EXECUTED this 10 day of May, 1989.

COMPANY Chevron U.S.A. Inc.

BY Alan W. Bohling

TITLE Division Proration Engineer