

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. 9692
Order No. R-8974

APPLICATION OF BETTIS, BOYLE
AND STOVALL FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 26, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 15th day of August, 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, Bettis, Boyle and Stovall, seeks approval to drill a well at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 15, Township 24 South, Range 31 East, NMPM, to a depth sufficient to test the Morrow and Devonian formations, Undesignated South Sand Dunes-Lower Pennsylvanian and Wildcat Devonian Pools, Eddy County, New Mexico, the W/2 of said Section 15 to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing.

(3) The applicant presented geologic evidence and testimony which indicates that a well drilled at the proposed unorthodox location will penetrate the Morrow and Devonian formations at a more structurally advantageous position than a well drilled at a standard location thereon, thereby increasing the likelihood of obtaining commercial production.

(4) Further evidence presented indicates that the applicant is the operator of all affected offset acreage.

(5) 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 gas in the subject pool(s), 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:

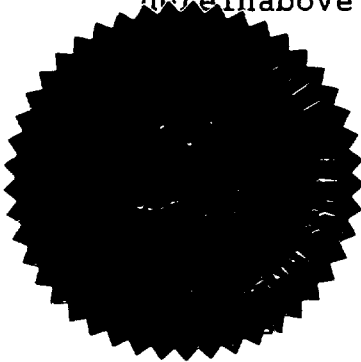
(1) The applicant, Bettis, Boyle and Stovall, is hereby authorized to drill a well at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 15, Township 24 South, Range 31 East, NMPM, to a depth sufficient to test the Morrow and Devonian formations, Undesignated South Sand Dunes Lower Pennsylvanian and Wildcat Devonian Pools, Eddy County, New Mexico.

(2) The W/2 of said Section 15 shall be dedicated to the above-described well forming a standard 320-acre gas spacing and proration unit for said pool(s).

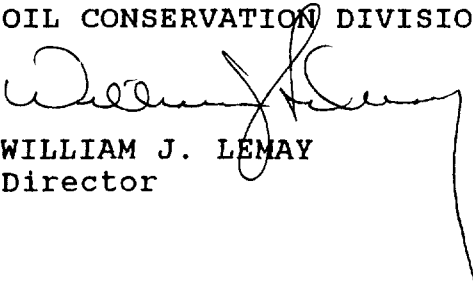
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



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WILLIAM J. LEMAY
Director