

**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. 10952  
Order No. R-10106**

**APPLICATION OF KLABZUBA OIL AND  
GAS FOR TWO UNORTHODOX OIL WELL  
LOCATIONS, CHAVES COUNTY, NEW  
MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on April 14, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 26th day of April, 1994, 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, Klabzuba Oil and Gas, seeks approval to drill its Waller "14" Well No. 1 at an unorthodox oil well location 2593 feet from the North line and 1658 feet from the West line (Unit F) of Section 14, Township 12 South, Range 28 East, NMPM, Chaves County, New Mexico, to test the Devonian formation. The SE/4 NW/4 of Section 14 is to be dedicated to the subject well forming a standard 40-acre oil spacing and proration unit.

(3) The applicant further seeks authority to drill its Waller "14" Well No. 2 at an unorthodox oil well location 1511 feet from the South line and 1004 feet from the West line (Unit L) of Section 14, Township 12 South, Range 28 East, NMPM, Chaves County, New Mexico, to test the Devonian formation. The NW/4 SW/4 of Section 14 is to be dedicated to the subject well forming a standard 40-acre oil spacing and proration unit.

(4) According to applicant's testimony, it has conducted three dimensional seismic work within Section 14 to aid in determining the location of Devonian structures.

(5) The seismic data indicates the presence of a Devonian structure within the W/2 of Section 14.

(6) Applicant's interpretation indicates that the location of the proposed Waller "14" Well No. 1 represents the best location within the SE/4 NW/4 of Section 14 of penetrating the Devonian formation at the highest structural position.

(7) Applicant's interpretation further indicates that the location of the proposed Waller "14" Well No. 2 represents the best location within the NW/4 SW/4 of Section 14 of penetrating the Devonian formation at the highest structural position.

(8) Both of the proposed unorthodox locations are geologically favorable to standard well locations thereon, thereby increasing the likelihood of obtaining commercial hydrocarbon production.

(9) All of the affected offset acreage is owned and controlled by Klabzuba Oil and Gas.

(10) No other offset operator and/or interest owner appeared at the hearing in opposition to the application.

(11) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected 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:**

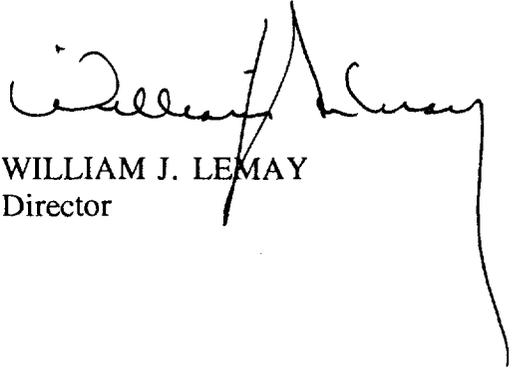
(1) The applicant, Klabzuba Oil and Gas, is hereby authorized to drill its Waller "14" Well No. 1 at an unorthodox oil well location 2593 feet from the North line and 1658 feet from the West line (Unit F) of Section 14, Township 12 South, Range 28 East, NMPM, Chaves County, New Mexico, to test the Devonian formation. The SE/4 NW/4 of Section 14 shall be dedicated to the above-described well forming a standard 40-acre oil spacing and proration unit.

(2) The applicant is further authorized to drill its Waller "14" Well No. 2 at an unorthodox oil well location 1511 feet from the South line and 1004 feet from the West line (Unit L) of Section 14, Township 12 South, Range 28 East, NMPM, Chaves County, New Mexico, to test the Devonian formation. The NW/4 SW/4 of Section 14 shall be dedicated to the above-described well forming a standard 40-acre oil spacing and proration unit.

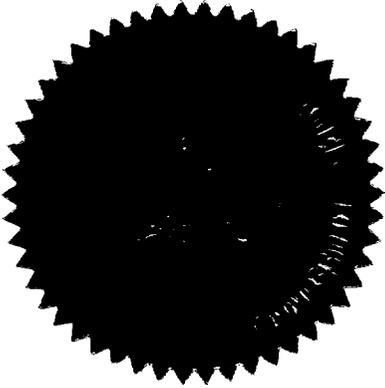
(3) Jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director



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