

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. 10999
ORDER NO. R-10048-B

**APPLICATION OF KAISER-FRANCIS OIL COMPANY TO AMEND DIVISION
ORDER NO. R-10048, EDDY COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 9, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 25th day of July, 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, Kaiser-Francis Oil Company, seeks to change the surface location for its Pure Gold "B" Well No. 10 from a proposed location 10 feet from the South line and 145 feet from the West line (Unit M) of Section 16 to a new location 10 feet from the South line and 480 feet from the East line (Unit P) of Section 17, both sections being in Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) The proposed surface location in Section 16 was approved by Division Order No. R-10048.

(4) The applicant submitted a statement signed by its engineering witness in Case No. 10887 and appeared through counsel at the hearing to provide the following information explaining the reasons for the proposed change:

(a) The surface location in Section 17 was recently approved by the Bureau of Land Management. It is located more than one-half mile

from any Verified Potash Life of Mine Reserves and therefore is not within any buffer area. If drilled from the Section 17 location, the well will be 400 feet shorter than if drilled from the previously approved location in Section 16.

- (b) Based on the above information, the application should be approved.
- (5) No interested party appeared at the hearing in opposition to the application.

IT IS THEREFORE ORDERED THAT:

(1) Exhibit "A" of Division Order No. R-10048 is hereby amended to change the surface location of the Kaiser-Francis Oil Company Pure Gold "B" Well No. 10 to the following:

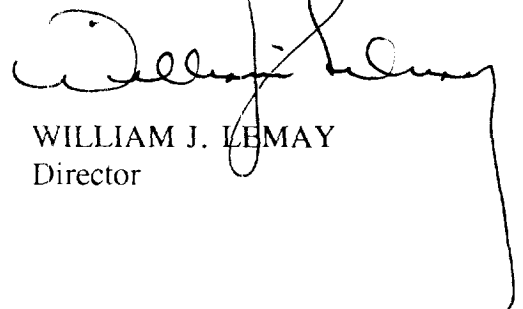
Well: Pure Gold B-10
Surface: 10' FSL & 480' FEL (Unit P) Section 17
Bottom Hole: 480' FNL & 480' FEL (Unit A) Section 20

(2) All other provisions and requirements of Division Order No. R-10048 shall remain applicable.

(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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