

Entered October 16, 1962

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2561
Order No. R-2308

APPLICATION OF THE OIL CONSERVATION
COMMISSION, UPON ITS OWN MOTION, TO
CONSIDER REVISING COMMISSION RULE
111.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 16, 1962, at Hobbs, New Mexico, and on August 15, 1962, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission,"

NOW, on this 28th day of August, 1962, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That subsequent to the Hobbs hearing and the continuance of Case No. 2561 to August 15, 1962, the Commission appointed an Industry Committee to study Rule 111 of the Commission Rules and Regulations and to make a recommendation as to possible revision thereof at the August hearing.
- (3) That the Committee's proposed revision of Rule 111, with certain minor modifications, should be adopted inasmuch as the proposed Rule, as modified, will require wells to be drilled in such a manner as to prevent injury to neighboring leases and properties and will be in the interest of more adequate protection of correlative rights and the prevention of waste.

IT IS THEREFORE ORDERED:

- (1) That Rule 111 of the Commission Rules and Regulations be and the same is hereby amended to read in its entirety as follows:

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RULE 111. DEVIATION TESTS AND DIRECTIONAL DRILLING

(a) Any well which is drilled or deepened with rotary tools shall be tested at reasonably frequent intervals to determine the deviation from the vertical. Such tests shall be made at least once each 500 feet or at the first bit change succeeding 500 feet. A tabulation of all deviation tests run, sworn to and notarized, shall be filed with Form C-104, Request for Allowable. When the deviation averages more than five degrees in any 500-foot interval, the Secretary-Director of the Commission may require that a directional survey be run to establish the location of the producing interval(s).

The Secretary-Director of the Commission, at the request of an offset operator, may require any operator to make a directional survey of any well. Said directional survey and all associated costs shall be at the expense of the requesting party and shall be secured in advance by a \$5,000.00 indemnity bond posted with and approved by the Commission. The requesting party may designate the well survey company, and said survey shall be witnessed by the Commission.

(b) No well shall be intentionally deviated without special permission from the Commission. Permission to deviate toward the vertical to straighten a crooked hole, to deviate toward the vertical or in an indeterminate direction to sidetrack junk in the hole, or to drill a relief well to control a blow-out shall be obtained from the appropriate District Office of the Commission on Commission Form C-102 with copies of said Form C-102 being furnished to all offset operators. Permission to deviate a well in any other manner or for any other reason will be granted only after notice and hearing. Upon request from the Secretary-Director of the Commission, any well which was deviated in an indeterminate direction or toward the vertical shall be directionally surveyed. In addition, a directional survey of the entire well bore must be made on any well which was deviated in a predetermined direction, except toward the vertical. The District Office of the Commission shall be notified of the approximate time all directional surveys are to be conducted. All directional surveys run on any well which was intentionally deviated in any manner for any reason must be filed with the Commission upon completion of the well. The Commission will not assign an allowable to a well until the operator has submitted an affidavit that all such directional surveys have been filed.

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(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

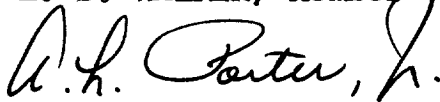
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary

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