

Entered September 8, 1969
A.L.P.

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. 4206
Order No. R-2538-A

APPLICATION OF SHELL OIL COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION
AND AMENDMENT TO ORDER NO. R-2538,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 the applicant, Shell Oil Company, is the operator of a waterflood project in its East Pearl-Queen Unit Area, Pearl-Queen Pool, Lea County, New Mexico, approved by Commission Order No. R-2538.
- (3) That the applicant now seeks authority to drill a producing oil well at an unorthodox location 1315 feet from the North line and 2625 feet from the West line of Section 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, as an infill well in its East Pearl-Queen Unit waterflood project area.
- (4) That the proposed unorthodox location is necessary to complete an efficient oil producing pattern.

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(5) That the applicant further seeks the amendment of said Order No. R-2538 to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional producing wells at unorthodox infill locations as may be necessary to complete an efficient producing pattern.

(6) That approval of the aforesaid amendment will afford the applicant the opportunity to produce its just and equitable share of the oil in the Pearl-Queen Pool, and will otherwise prevent waste and protect correlative rights, provided said producing wells are drilled no closer than 990 feet to the outer boundary of said East Pearl-Queen Unit nor closer than 5 feet to any quarter-quarter section or subdivision inner boundary.

(7) That the subject waterflood project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to drill a producing oil well at an unorthodox location 1315 feet from the North line and 2625 feet from the West line of Section 34, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, as an infill well in its East Pearl-Queen Unit waterflood project area, East Pearl-Queen Pool.

(2) That Order (2) of Order No. R-2538 is hereby amended to read in its entirety as follows:

"(2) That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve such additional producing wells at unorthodox infill locations as may be necessary to complete an efficient production pattern, provided said wells are drilled no closer than 990 feet to the outer boundary of said East Pearl-Queen Unit nor closer than 5 feet to any quarter-quarter section or subdivision inner boundary, and provided further that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations."

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(3) 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


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

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