

*Entered October 11, 1973*  
*R.S.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. 5063  
Order No. R-4639

APPLICATION OF SHELL OIL  
COMPANY FOR AN UNORTHODOX  
WELL LOCATION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 19, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 11th day of October, 1973, 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 applicant, Shell Oil Company, seeks an exception to Rule 104 of the Commission Rules and Regulations for approval of an unorthodox oil well location for its Sanger Well No. 6-Y, proposed to be located 1220 feet from the North line and 180 feet from the West line of Section 27, Township 18 South, Range 38 East, NMPM, Hobbs Grayburg-San Andres Pool, Lea County, New Mexico.

(3) That Unit D in the NW/4 of the NW/4 of Section 27, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, is now dedicated to applicant's Sanger Well No. 6, which is presently operating.

(4) That upon completion of applicant's Sanger Well No. 6-Y, Unit D in the NW/4 of the NW/4 of Section 27, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, should be dedicated to said well.

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(5) That a well drilled at the proposed location should encounter a zone of more favorable porosity for the production of oil than a well drilled at a standard location.

(6) That the location of applicant's No. 6 well is undesirable because of the imminent construction of a shopping center parking lot surrounding the site.

(7) That the substitution of applicant's proposed Sanger Well No. 6-Y in the proposed unorthodox location for applicant's Sanger Well No. 6 will promote safety, will afford the applicant a greater opportunity to produce its just and equitable share of the oil in the subject 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.

(8) That a rateable take factor of 58 percent will afford the applicant the opportunity to produce its just and equitable share of oil in place and will afford protection to the correlative rights of the lease holders directly to the west of the NW/4 of the NW/4 of Section 27, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

(9) That the applicant should be required to determine the subsurface location of the hole by means of a continuous multi-shot directional drilling survey to determine that the bottom of the hole is no nearer than 180 feet to the west line of Section 27, and the results of that survey should be furnished to the Commission.

IT IS THEREFORE ORDERED:

(1) That an unorthodox oil well location for the Grayburg-San Andres formation is hereby approved for applicant's Sanger Well No. 6-Y, to be drilled at a surface location 1220 feet from the North line and 180 feet from the West line of the NW/4 of the NW/4 of Section 27, Township 18 South, Range 32 East, NMPM, Hobbs Pool, Lea County, New Mexico.

(2) That said well shall be drilled in such a manner as to ensure that the bottom of the well is no closer than 180 feet to the west line of said Section 27.

(3) That upon completion of applicant's Sanger Well No. 6-Y, Unit D, in the NW/4 of the NW/4 of said Section 27 shall be dedicated to said well.

(4) PROVIDED HOWEVER, that the well is assigned an acreage factor for proration purposes of 58 percent for production from the Grayburg-San Andres formation.

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(5) PROVIDED FURTHER, that upon completion of applicant's Sanger Well No. 6-Y, a continuous multi-shot directional survey shall be made of the well-bore of said well for the entire length of the well-bore with shot points no more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Commission, P. O. Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Hobbs district office of the date and time said survey is to be commenced.

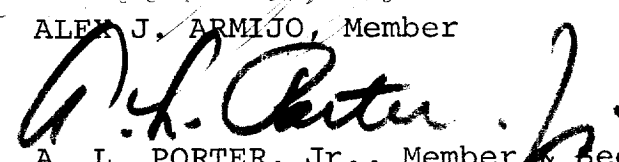
(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
I. R. TRUJILLO, Chairman

  
ALEX J. ARMIJO, Member

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

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