Entered June 1, 19>6

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. 5671 Order No. R-5220

APPLICATION OF ARD DRILLING CO. FOR DIRECTIONAL DRILLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 28, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>lst</u> day of June, 1976, 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, Ard Drilling Co., is the owner and operator of its State 10 Well No. 1, the surface location of which is 660 feet from the South line and 660 feet from the East line of Section 10, Township 10 South, Range 32 East, North Mescalero-Cisco Pool, Lea County, New Mexico.

(3) That at its original bottom hole location, said well encountered only tight non-commercial porosity zones within the Cisco formation.

(4) That applicant subsequently deviated the abovedescribed well by directionally drilling said well from a kickoff point at approximately 7800 feet and bottoming it in the Cisco formation at a point 892 feet from the South line and 494 feet from the East line, more or less, of said Section 10.

(5) That the applicant seeks to amend its original application to directionally drill said well to a target within 100 feet of a point 810 feet from the South line and 660 feet from the East line of said Section 10 to the bottom hole location described in Finding No. (4) above.

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(6) That the bottom hole location described in Finding No. (4) above would be a legal surface well location in said North Mescalero-Cisco Pool and the request for amendment of the application should be granted.

(7) That at the above-described bottom hole location applicant's State 10 Well No. 1 encountered productive porosity zones within the Cisco formation.

(8) That approval of the subject application, as amended, will prevent the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Ard Drilling Co., is hereby authorized to deviate its State 10 Well No. 1, the surface location of which is 660 feet from the South line and 660 feet from the East line of Section 10, Township 10 South, Range 32 East, North Mescalero-Cisco Pool, by directionally drilling said well from a kick-off point at approximately 7800 feet and bottoming it in the Cisco formation at a point 892 feet from the South line and 494 feet from the East line, more or less, of said Section 10.

(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 hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION PHIL R. LUCERO, Chairman un ARNOLD ENERY Mémber Ø. Ú JOE D. RAMEY, Member & Secretary

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