

Entered March 29, 1977  
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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. 5891  
Order No. R-5408

APPLICATION OF SAM H. SNODDY  
FOR DIRECTIONAL DRILLING AND  
A NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 23, 1977,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of March, 1977, 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, Sam H. Snoddy, seeks approval of a  
160-acre non-standard gas proration unit comprising the SW/4 of  
Section 25, Township 20 South, Range 32 East, NMPM.

(3) That applicant further seeks approval for the directional  
drilling of two 13,500 foot Morrow test wells from a single  
drilling site in the extreme Northwest five acres of the NW/4 SE/4  
of Section 25, Township 20 South, Range 32 East, Potash-Oil Area,  
Lea County, New Mexico. Applicant proposes to vertically drill  
each of said wells to a depth of approximately 3000 feet and to  
then directionally drill one well in a Northeasterly direction  
bottoming said well in the approximate center of the NE/4 of said  
Section 25, and to then directionally drill the other well in a  
Southwesterly direction, bottoming said well in the approximate  
center of the SW/4 of said Section 25.

(4) That the entire non-standard proration unit may reasonably  
be presumed productive of gas from the South Salt Lake-Morrow Gas  
Pool and that the entire non-standard gas proration unit can be  
efficiently and economically drained and developed by the afore-  
said well to be completed in the SW/4 of said Section.

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(5) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the South Salt Lake-Morrow Gas 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, provided that the applicant should be required to determine the subsurface location of the bottom of each of the holes by means of a continuous multi-shot directional survey conducted subsequent to directional drilling, if said wells are to be completed as producing wells.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sam H. Snoddy, is hereby authorized to directionally drill two wells to test the Morrow formation, all in Section 25, Township 20 South, Range 32 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, and with acreage dedications as follows:

Federal Well No. 1, from a surface location at least 10 feet from any quarter section line in the extreme Northwest five acres of the NW/4 SE/4 of said Section 25 to a bottom-hole location within 200 feet of a point 1320 feet from the North and East lines with the N/2 of said Section 25 being dedicated thereto.

Federal Well No. 2, from a surface location at least 10 feet from any quarter section line in the extreme Northwest five acres of the NW/4 SE/4 of said Section 25 to a bottom hole location within 200 feet of a point 1320 feet from the South and West lines with the SW/4 of said Section 25, a 160-acre non-standard gas proration unit hereby approved, being dedicated thereto.

PROVIDED HOWEVER, that each of said wells shall be drilled vertically to a depth of 3000 feet and thence directionally to their intended bottom-hole locations.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said wells be producers, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the surface, or to the whipstock point if the same has been determined in this manner, with shot points not 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, Box 2088, Santa Fe, New Mexico; and that the operator shall notify the Commission's Hobbs district office of the date and time said surveys are to be commenced.

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(2) That Form C-105 shall be filed in accordance with Commission Rule 1108 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(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

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

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