

Entered October 20, 1978
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6325
Order No. R-5833

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR UNORTHODOX LOCATIONS AND
DIRECTIONAL DRILLING, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 13, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of October, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amoco Production Company, seeks approval for the unorthodox locations of the following South Hobbs Unit Wells located in Township 19 South, Range 38 East, Hobbs Pool, Lea County, New Mexico:

<u>WELL NO.</u>	<u>LOCATION</u>	<u>SECTION</u>
120	1272' FNL and 1420' FWL	5
121	1450' FNL and 150' FWL	4
123	2390' FNL and 150' FEL	6
124	1925' FSL and 2380' FEL	4
126	1295' FSL and 1365' FWL	10

(3) That the applicant further seeks authority for the directional drilling of two wells on its South Hobbs Unit, Hobbs Pool, Lea County, New Mexico, both in Township 19 South, Range 38 East, as follows:

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Well No. 122, surface location 1726 feet from the North line and 167 feet from the East line of Section 4, bottom-hole location within 100 feet of a point 1315 feet from the North line and 5 feet from the East line of Section 4;

Well No. 125, surface location 2016 feet from the North line and 763 feet from the West line of Section 3, bottom-hole location within 100 feet of a point 2635 feet from the North line and 1315 feet from the West line of said Section 3.

(4) That the applicant seeks authority to directionally drill said wells to permit the surface locations to be more distant from streets in the City of Hobbs.

(5) That the applicant should be required to determine the subsurface location of the bottom of the holes by means of continuous multi-shot directional drilling, if said wells are to be completed as producing wells.

(6) That the wells at the proposed unorthodox locations and at the proposed directionally drilled bottom-hole locations are to permit the applicant to evaluate the effectiveness of its South Hobbs Unit Pressure Maintenance Project and to increase the ultimate recovery therefrom.

(7) That approval of the subject application 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, Amoco Production Company, is hereby authorized the unorthodox locations of the following South Hobbs Unit Wells located in Township 19 South, Range 38 East, Hobbs Pool, Lea County, New Mexico:

<u>WELL NO.</u>	<u>LOCATION</u>	<u>SECTION</u>
120	1272' FNL and 1420' FWL	5
121	1450' FNL and 150' FWL	4
123	2390' FNL and 150' FEL	6
124	1925' FSL and 2380' FEL	4
126	1295' FSL and 1365' FWL	10

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IT IS FURTHER ORDERED:

(1) That the applicant is hereby authorized to directionally drill two wells on its South Hobbs Unit, Hobbs Pool, Lea County, New Mexico, both in Township 19 South, Range 38 East, as follows:

Well No. 122, surface location 1726 feet from the North line and 167 feet from the East line of Section 4, bottom-hole location within 100 feet of a point 1315 feet from the North line and 5 feet from the East line of Section 4;

Well No. 125, surface location 2016 feet from the North line and 763 feet from the West line of Section 3, bottom-hole location within 100 feet of a point 2635 feet from the North line and 1315 feet from the West line of said Section 3.

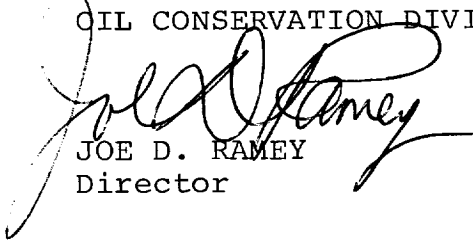
PROVIDED HOWEVER, that subsequent to the above-described directional drilling, should said wells be producers, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the whipstock point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, Box 2088, Santa Fe, New Mexico; and that the operator shall notify the Division's Hobbs district office of the date and time said surveys are to be commenced.

(2) That Form C-105 shall be filed in accordance with Division 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 Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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