

Entered June 26, 1979
JHR

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. 6572
Order No. R-6044

APPLICATION OF ARCO OIL AND GAS
COMPANY TO DRILL A HORIZONTAL
DRAINHOLE, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 13, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 26th day of June, 1979, 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, ARCO Oil and Gas Company, seeks approval to drill and complete its Empire Abo Unit Well No. K-142, the surface location of which, previously approved by Administrative Order NSL-999, is 1700 feet from the South line and 1400 feet from the West line of Section 2, Township 18 South, Range 27 East, Empire-Abo Pool, with a single horizontal drainhole of about 200 feet in length in the Abo formation.

(3) That the applicant proposes to vertically drill said well through the Abo Reef in a conventional manner, set casing below the gas-oil contact, and by means of a specially constructed whipstock and knuckle-joint drill collars, turn said well in a southeasterly direction at the rate of approximately 5 degrees per foot, continuing such drilling until horizontal, and then drill in a southeasterly direction to complete the drainhole some 200 feet South and East of the kick-off point.

(4) That the applicant should constantly monitor the pitch and direction of the drainhole as it is being drilled, and

-2-

Case No. 6572

Order No. R-6044

should file with the Division a final report of drilling upon completion thereof, specifying in said report the depth and location of the terminus of the drainhole.

(5) That the proposed drainhole, if successfully completed as proposed, should make possible the production of an increased volume of oil from the subject well without coning of gas into the wellbore, thereby preventing waste, will not impair but will protect correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

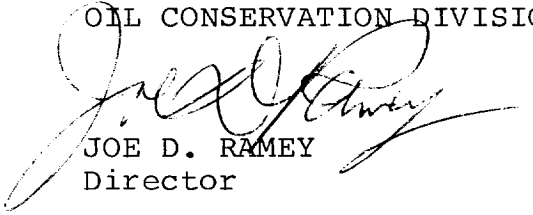
(1) That the applicant, ARCO Oil and Gas Company, is hereby authorized to complete its Empire Abo Unit Well No. K-142, the surface location of which is 1700 feet from the South line and 1400 feet from the West line of Section 2, Township 18 South, Range 27 East, NMPM, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to provide a 200-foot horizontal drainhole beneath the gas-oil contact in the Abo Reef, extending in a southeasterly direction from the surface location.

(2) That the applicant shall constantly monitor the pitch and direction of the drainhole as it is being drilled, and shall file a report of drilling upon completion thereof, specifying in said report the depth and location of the terminus of the drainhole.

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/