

Entered April 25, 1983
JLR

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. 7846
Order No. R-7266

APPLICATION OF MARALO, INC.
FOR DIRECTIONAL DRILLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 13, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of April, 1983, 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, Maralo, Inc., is the owner and operator of the Samantha State 7 Well No. 2, the surface location of which is 1980 feet from the South line and 1914 feet from the West line of Section 7, Township 14 South, Range 33 East, Baum-Upper Pennsylvanian Pool, Lea County, New Mexico.

(3) That the applicant seeks to directionally drill said well by kicking off from the vertical at a depth of approximately 9000 feet and drilling in such a manner as to penetrate the Upper Pennsylvanian formation within 100 feet of a point 1980 feet from the South line and 2014 feet from the West line of said Section 7.

(4) That the SW/4 of said Section 7 should be dedicated to the well.

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(5) That the applicant should be required to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

(6) 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, Maralo, Inc., is hereby authorized to directionally drill its Samantha State 7 Well No. 2 from a surface location 1980 feet from the South line and 1914 feet from the West line of Section 7, Township 14 South, Range 33 East, Baum-Upper Pennsylvanian Pool, by kicking off from the vertical at a depth of approximately 9000 feet and drilling in such a manner as to penetrate the Upper Pennsylvanian formation within 100 feet of a point 1980 feet from the South line and 2014 feet from the West line of said Section 7.

PROVIDED HOWEVER, that prior to the above-described directional drilling, the applicant shall establish the location of the kick-off point by conducting a continuous multi-shot directional survey of the well.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off 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, P. O. Box 2088, Santa Fe, New Mexico 87501, and that the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(2) That Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

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(3) That the SW/4 of said Section 7 shall be dedicated to the subject well.

(4) 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

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