

Entered April 29, 1983  
JGR

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. 7856  
Order No. R-7275

APPLICATION OF SHELL OIL COMPANY  
FOR DIRECTIONAL DRILLING AND AN  
UNORTHODOX LOCATION, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on April 27, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th 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, Shell Oil Company, seeks authority to directionally drill, as an infill well, its Shell-North Hobbs Unit Section 34 Well No. 342 at an unorthodox surface location 305 feet from the South line and 1650 feet from the East line of Section 34, Township 18 South, Range 38 East, to a point no more than 500 feet and no less than 400 feet from the South line and no more than 1590 feet or less than 1490 feet from the East line of Section 34, Township 18 South, Range 38 East at a true vertical depth of 4,400 feet, Hobbs Pool, Lea County, New Mexico.

(3) That the SW/4 SE/4 of said Section 34 should be dedicated to the well.

(4) 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.

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(5) 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, Shell Oil Company, is hereby authorized to directionally drill its Shell-North Hobbs Unit Section 34 Well No. 342, an infill well, at an unorthodox surface location, hereby approved, 305 feet from the South line and 1650 feet from the East line of Section 34, Township 18 South, Range 38 East, NMPM, Hobbs Pool, Lea County, New Mexico, to a point no more than 500 feet or less than 400 feet from the South line and no more than 1590 feet or less than 1490 feet from the East line of said Section 34.

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.

(3) That the SW/4 SE/4 of said Section 34 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.

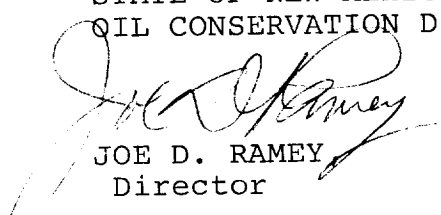
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DONE at Santa Fe, New Mexico, on the day and year  
hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY  
Director

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