

Entered August 16, 1984
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. 8264
Order No. R-7629

APPLICATION OF SHELL WESTERN
E & P INC. FOR UNORTHODOX
LOCATIONS AND DIRECTIONAL
DRILLING, LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on July 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of August, 1984, 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 Oil Conservation Commission of New Mexico, by its Order No. R-6198 dated November 30, 1979, approved statutory unitization for the North Hobbs Grayburg-San Andres Unit Area, Hobbs Grayburg-San Andres Pool, Lea County, New Mexico, and, by its Order No. R-6199 dated November 30, 1979, authorized institution of the North Hobbs Grayburg-San Andres Unit Pressure Maintenance Project in the North Hobbs Grayburg-San Andres Unit Area.

(3) That the applicant, Shell Western E & P Inc., seeks authority to directionally drill three North Hobbs Grayburg-San Andres Unit wells at the unorthodox surface and bottomhole locations described below and as amended at the hearing, Lea County, New Mexico:

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Case No. 8264

Order No. R-7629

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

<u>Section No.</u>	<u>Unit Well No.</u>	<u>Surface Location</u>	<u>Bottomhole Location</u>
28	242	1163' FSL & 2014' FWL	1100' FSL & 2400' FWL
30	312	500' FNL & 1448' FEL	20' FNL & 1268' FEL
33	312	136' FNL & 1702' FEL	10' FNL & 1330' FEL

(4) That the unorthodox bottomhole locations are necessary to permit the completion of an efficient production and injection pattern within the North Hobbs Grayburg-San Andres Unit Pressure Maintenance Project and will result in the recovery of otherwise unrecoverable oil and gas, thereby preventing waste.

(5) That the unorthodox surface location and directional drilling of each of said wells is necessitated by topographical conditions.

(6) That a 75-foot radius tolerance should be provided for each bottomhole location.

(7) That the quarter-quarter section wherein each of said wells is ultimately bottomed should be dedicated to such well.

(8) That the applicant should be required to determine the subsurface location of the bottom of each of said holes by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling.

(9) That approval of the application in this cause will afford the applicant the opportunity to produce without waste its just and equitable share of the oil and gas in the Hobbs Grayburg-San Andres Pool, thereby protecting correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Western E & P Inc., is hereby authorized to directionally drill each of the wells listed below in its North Hobbs Grayburg-San Andres Unit from the surface location to a point within 75 feet of the bottomhole location, as described below, Lea County, New Mexico:

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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, 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 survey 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.

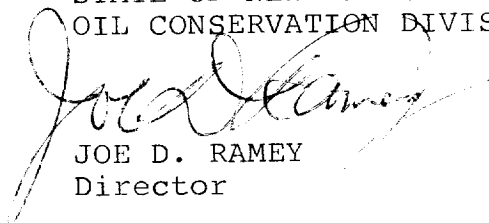
(2) That Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) That the quarter-quarter section wherein each of said wells is ultimately bottomed shall be dedicated to such 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

S E A L
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