

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

*CASE NO. 10351  
ORDER NO. R-9558*

**APPLICATION OF STEVENS OPERATING  
CORPORATION FOR AN UNORTHODOX OIL  
WELL LOCATION, CHAVES COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 25, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9<sup>th</sup> day of August, 1991 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Stevens Operating Corporation, seeks authority to drill its proposed McClellan Federal Well No. 3 to the Undesignated South Lone Wolf-Devonian Pool at an unorthodox oil well location within a standard 160-acre oil spacing and proration unit for said pool comprising the SE/4 of Section 28, Township 13 South, Range 29 East, NMPM, Chaves County, New Mexico.
- (3) At the time of the hearing the applicant requested a change of location of the proposed well from the advertised location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 28 to a less unorthodox oil well location 2270 feet from the South line and 520 feet from the East line (Unit I) of said Section 28.

(4) The proposed well is less than one mile from the boundary of the South Lone Wolf-Devonian Pool and is therefore governed by the Special Rules and Regulations for said pool as promulgated by Division Order No. R-9514, dated May 24, 1991, which provides for 160-acre proration units and designated well location requirements such that a well be no closer than 660 feet from the outer boundary of a proration unit and no closer than 330 feet to any governmental quarter-quarter section line or subdivision boundary.

(5) The applicant presented geologic evidence which indicates that a well drilled at the proposed unorthodox location is more likely to intersect the highest point on the localized "dome-like" structure which appears to be the extent of the pool at this time (Finding Paragraph No. (7) of Division Order No. R-9514).

(6) If a well is not drilled on the highest point of this structure, "attic oil" will not be recovered therefore resulting in waste.

(7) No offset operator or interested party appeared at the hearing or objected to the application.

(8) Said application is in the best interest of conservation, will prevent waste and will not violate correlative rights and should therefore be approved.

IT IS THEREFORE ORDERED THAT:

(1) The application of Stevens Operating Corporation for an unorthodox oil well location for its McClellan Federal Well No. 3 to be drilled 2270 feet from the South line and 520 feet from the East line (Unit I) of Section 28, Township 13 South, Range 29 East, NMPM, Undesignated South Lone Wolf-Devonian Pool, Chaves County, New Mexico.

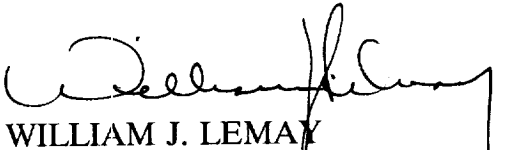
(2) The SE/4 of said Section 28 is to be dedicated to said well forming a standard 160-acre oil spacing and proration unit for said pool.

(3) 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

  
WILLIAM J. LEMAY  
Director

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