

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

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

**CASE NO. 10719
Order No. R-9925-A**

**APPLICATION OF ANADARKO PETROLEUM
CORPORATION FOR DIRECTIONAL DRILLING
AND AN UNORTHODOX BOTTOMHOLE GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 13, 1994, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 7th day of February, 1994, the Commission, a quorum being present, having considered the stipulation of counsel of record for the applicant and for Enron Oil & Gas Company,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the Division approved the applicant's request in this case subject to a penalized allowable of 33% for production from the Morrow formation.
- (3) While awaiting a Commission hearing in this matter, Applicant elected to commence drilling the subject well which has proven to be non-commercial in the Morrow formation. Since then the well has been recompleted as a Strawn oil well and is located at a standard oil well location for Strawn production.
- (4) Applicant, with the consent of the opposition, requests that the Division Order in this case be amended to allow this directionally drilled well to be approved for Strawn oil production pursuant to Division Rule 111.
- (5) Applicant, with the consent of the opposition, requests that those findings and ordering paragraphs of Division Order No. R-9925 dealing with the disputed issue of penalty formula for Morrow production be vacated.
- (6) Approval of this request should be granted.

IT IS THEREFORE ORDERED THAT:

(1) The finding paragraphs of Division Order No. R-9925 which deal with the penalty formula issue are hereby vacated.

(2) The ordering paragraphs of Division Order No. R-9925 are hereby vacated and the following new ordering paragraphs adopted:

(1) The applicant, Anadarko Petroleum Corporation, is hereby authorized to directionally drill its Power Federal Com Well No. 2 from an unorthodox surface location 1400 feet from the South line and 660 feet from the East line (Unit I) of Section 26, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, in such a manner so as to complete said wellbore in the Undesignated Cedar Lake-Strawn Pool at a standard bottomhole location not closer than 330 feet to the side boundaries of Unit P of said Section 26.

(2) The SE/4 SE/4 (Unit P) of Section 26 shall be dedicated to the subject well forming a standard 40-acre oil spacing and proration unit for said pool.

(3) The applicant shall submit copies of the directional surveys conducted on the subject well to the Santa Fe and Artesia offices of the Division.

(4) Subsequent to completing directional drilling operations, the applicant shall submit a Division Form C-102 (Acreage Dedication Plat) to the Artesia office of the Division showing the surface and bottomhole locations of the Power Federal Com Well No. 2.

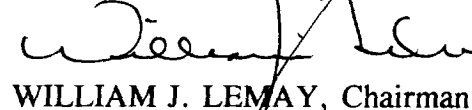
(3) Jurisdiction of this cause is hereby retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JAMI BAILEY, Member


WILLIAM W. WEISS, Member


WILLIAM J. LEMAY, Chairman

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