and Souther 7, 1918

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE NO. 5334 Order No. R-4899

APPLICATION OF STOLTZ, WAGNER & BROWN FOR DIRECTIONAL DRILLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 2, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>4th</u> day of November, 1974, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Stoltz, Wagner & Brown, is the owner and operator of its H. L. Vinson Well No. 1, formerly the Gulf Oil Corporation Vinson Well No. 2, located 1980 feet from the North line and 1980 feet from the East line of Section 22, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico.

(3) That the subject well was originally drilled to a total depth of 12,250 feet to the Devonian formation, but after a period of production experienced a high water cut which led to its plugging and abandonment.

(4) That the applicant proposes to reenter the subject well and clean it out to a depth of approximately 8400 feet, set a whipstock at that point, and directionally drill to the Devonian formation within a 180-foot radius of a point 2310 feet from the North line and 1320 feet from the East line of said Section 22 at a true vertical depth of approximately 12,255 feet.

(5) That a well drilled to the Devonian formation at said subsurface location will encounter the formation at a higher structural elevation than was encountered in the original completion of said well, and should avoid the excessive water cut that led to that well's abandonment. -2-CASE NO. 5334 Order No. R-4899

(6) That the applicant should be required to determine the subsurface location of the "kick off" point prior to said directional drilling and the subsurface location of the bottom of the hole subsequent to said directional drilling by means of continuous multi-shot directional surveys.

(7) 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, Stoltz, Wagner, & Brown, is hereby authorized to reenter its H. L. Vinson Well No. 1, the surface location of which is 1980 feet from the North line and 1980 feet from the East line of Section 22, Township 9 South, Range 36 East, NMPM, Crossroads Siluro-Devonian Pool, Lea County, New Mexico, to clean said well out to a depth of approximately 8400 feet, and thence to directionally drill to bottom said well in the Devonian formation within a 180 foot radius of a point 2310 feet from the North line and 1320 feet from the East line of said Section 22 at a true vertical depth of approximately 12,255 feet.

PROVIDED HOWEVER, that prior to said directionally drilling, applicant shall determine the subsurface location of the "kick off" point at approximately 8400 feet and subsequent to said directional drilling applicant shall determine the subsurface location of the bottom of the hole by means of continuous multishot directional surveys with shot points no more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey reports directly to the Commission's Santa Fe Office, P.O. Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission's Hobbs District Office of the date and time said surveys are to be commenced.

(2) That jurisdiction of this cause is 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

I. R. TRUJILLO, Chairman

min ARMIJO, Member EX J nin PORTER, Jr., Member & Secretary

SEAL jr/