

Entered March 15, 1977  
JOR

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. 5857  
Order No. R-5390

APPLICATION OF UNION OIL COMPANY  
OF CALIFORNIA 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 March 9, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of March, 1977, 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, Union Oil Company of California, is the owner and operator of its Pipeline Deep Unit Federal Well No. 3, located 1980 feet from the North line and 1980 feet from the East line of Section 7, Township 19 South, Range 34 East, NMPM, Quail Ridge-Morrow Gas Pool, Lea County, New Mexico.

(3) That the applicant proposes to re-enter the subject well and to directionally drill said well in a southerly or easterly direction in such a manner as to bottom it in the Morrow formation within 100 feet of a point 2080 feet from the North line and 2005 feet from the East line of said Section 7 and no closer than 330 feet to the outer boundary of the proration unit.

-2-

Case No. 5857

Order No. R-5390

(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.

(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, Union Oil Company of California, is hereby authorized to re-enter its Pipeline Deep Unit Federal Well No. 3, the surface location of which is 1980 feet from the North line and 1980 feet from the East line of Section 7, Township 19 South, Range 34 East, NMPM, Quail Ridge-Morrow Gas Pool, Lea County, New Mexico, and to directionally drill said well in a southerly or easterly direction in such a manner as to bottom it in the Morrow formation within 100 feet of a point 2080 feet from the North line and 2005 feet from the East line of said Section 7 and no closer than 330 feet to the outer boundary of the proration unit.

PROVIDED HOWEVER, 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 whipstock 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 Commission, Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Commission'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 Commission Rule 1105 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(3) That the E/2 of said Section 7 shall be dedicated to the subject well.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

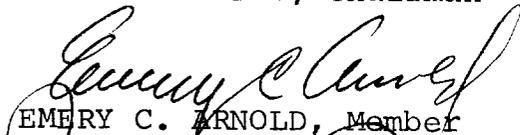
-3-

Case No. 5857  
Order No. R-5390

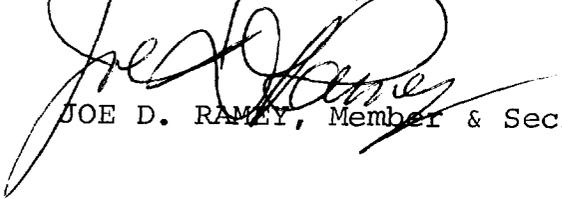
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMSEY, Member & Secretary

S E A L

dr/