

Entered September 6, 1977

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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. 5982
Order No. R-5521

APPLICATION OF SAM H. SNODDY FOR
DIRECTIONAL DRILLING AND A NON-STANDARD
GAS PRORATION UNIT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 20, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stanets.

NOW, on this 6th day of September, 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, Sam H. Snoddy, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 25, Township 20 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) Applicant also seeks approval for the directional drilling of two 14,000-foot Morrow gas wells in Unit P of Section 25, Township 20 South, Range 32 East, NMPM, one of which would be vertically drilled to a depth of 4,000 feet from a surface location 760 feet from the South line and 660 feet from the East line of said Section 25, then directionally drilled in a North-Northwesterly direction and bottomed in the approximate center of the NE/4 of said Section 25, the N/2 of the section being dedicated to the well; the other well would be vertically drilled to a depth of 4,000 feet from a surface location 660 feet from the South line and 760 feet

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from the East line of said Section 25, then directionally drilled in a West-Northwesterly direction and bottomed in the approximate center of the SW/4 of said Section 25.

(4) That the entire non-standard proration unit may reasonably be presumed productive of gas from the South Salt Lake-Morrow Gas Pool and that the entire non-standard gas proration unit can be efficiently and economically drained and developed by the aforesaid well to be completed in the SW/4 of said Section.

(5) That said surface locations and drilling procedures are the result of an arbitration meeting held under the provisions of Commission Order No. R-111-A (Potash-Oil Area Order), and are the only locations and procedures which could be used by the applicant to develop his leases in said Section 25 without objection by the potash operator therein.

(6) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the gas in the South Salt Lake-Morrow Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sam H. Snoddy, is hereby authorized to directionally drill two wells to test the Morrow formation, all in Section 25, Township 20 South, Range 32 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, and with acreage dedications as follows:

Federal Well No. 1, from a surface location 760 feet from the South line and 660 feet from the East line of said Section 25 to a bottom-hole location within 200 feet of a point 1320 feet from the North and East lines with the N/2 of said Section 25 being dedicated thereto.

Federal Well No. 2, from a surface location 660 feet from the South line and 760 feet from the East line of said Section 25 to a bottom hole location within 200 feet of a point 1320 feet from the South and West lines with the SW/4 of said Section 25, a 160-acre non-standard gas proration unit hereby approved, being dedicated thereto.

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PROVIDED HOWEVER, that each of said wells shall be drilled vertically to a depth of 4,000 feet and thence directionally to their intended bottom-hole locations.

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said wells be producers, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the surface, or to the whipstock point if the same has been determined in this manner, 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 surveys are to be commenced.

(2) That Form C-105 shall be filed in accordance with Commission Rule 1108 and the operator shall indicate thereon true vertical depths in addition to measured depths.

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

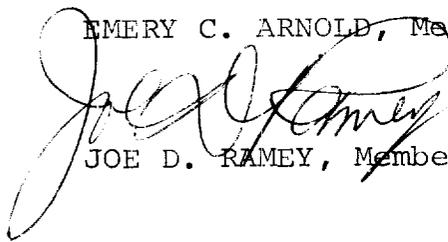
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

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