Entered November 2, 1939

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

> CASE NO. 6704 Order No. R-6044-A

APPLICATION OF ARCO OIL AND GAS COMPANY FOR THE AMENDMENT OF ORDER NO. R-6044, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 17, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>2nd</u> day of November, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That by Division Order No. R-6044, dated June 26, 1979, ARCO Oil and Gas Company was authorized to complete its Empire Abo Unit Well No. K-142, the surface location of which is 1700 feet from the South line and 1400 feet from the West line of Section 2, Township 18 South, Range 27 East, NMPM, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to provide a 200-foot horizontal drainhole beneath the gas-oil contact in the Abo Reef, extending in a southeasterly direction from the surface location.

(3) That due to certain technical problems the subject well was not bottomed as specified above, and the applicant seeks the amendment of Order No. R-6044 to reflect the actual bottom hole location of the drainhole.

(4) That said drainhole is located well within the boundaries of the Empire Abo Unit and will in no way impair the correlative rights of other owners in the pool nor will it cause waste.

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(5) That Order No. R-6044 should be amended to reflect the actual bottom hole location of the drainhole and this may best be accomplished by amending Order (1) on Page 2 of said Order No. R-6044 to read in its entirety as follows:

"(1) That the applicant, ARCO Oil and Gas Company, is hereby authorized to complete its Empire Abo Unit Well No. K-142, the surface location of which is 1700 feet from the South line and 1400 feet from the West line of Section 2, Township 18 South, Range 27 East, NMPM, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to provide two drainholes, the first of which terminates 153 feet North and 24 feet West of the surface location, and the second of which terminates 185 feet North and 84 feet West of the surface location."

IT IS THEREFORE ORDERED:

(1) That Order (1) on Page 2 of Division Order No. R-6044 is hereby amended to read in its entirety as follows:

"(1) That the applicant, ARCO Oil and Gas Company, is hereby authorized to complete its Empire Abo Unit Well No. K-142, the surface location of which is 1700 feet from the South line and 1400 feet from the West line of Section 2, Township 18 South, Range 27 East, NMPM, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to provide two drainholes, the first of which terminates 153 feet North and 24 feet West of the surface location, and the second of which terminates 185 feet North and 84 feet West of the surface location."

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

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

> STATE OF NEW MEXICO OIL CONSERVATION DIVISION

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