

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

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

**CASE NO. 11180
Order No. R-10301**

**APPLICATION OF HARVARD PETROLEUM
CORPORATION FOR AN UNORTHODOX
OIL WELL LOCATION, LEA COUNTY,
NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 5, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 11th day of January, 1995, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Harvard Petroleum Corporation, seeks authority to drill its Angell Well No. 1 at an unorthodox oil well location 550 feet from the North line and 2600 feet from the East line (Unit B) of Section 4, Township 15 South, Range 38 East, NMPM, to test the Wolfcamp formation, Lea County, New Mexico.

(3) The NW/4 NE/4 of Section 4 is to be dedicated to the subject well forming a standard 40-acre oil spacing and proration unit.

(4) At the time of the hearing the applicant testified that the actual location of the proposed Angell Well No. 1 is 509 feet from the North line and 2594 feet from the East line (Unit B) of Section 4.

(5) The Division determined that re-advertisement of this case is not necessary inasmuch as the newly proposed location is slightly less unorthodox than the originally proposed location.

(6) The subject well is located within one mile of the outer boundaries of the East Denton-Wolfcamp, Pollock-Wolfcamp and Northeast Pollock-Wolfcamp Pools. The East Denton-Wolfcamp and Pollock-Wolfcamp Pools are currently governed by Statewide Rules and Regulations including 40-acre oil spacing and proration units with wells to be located no closer than 330 feet from the outer boundary of the spacing unit. The Northeast Pollock-Wolfcamp Pool is currently governed by Special Rules and Regulations as promulgated by Division Order No. R-9875, which require standard 160-acre oil spacing and proration units with wells to be located no closer than 660 feet from the outer boundary of the spacing unit nor closer than 330 feet from any quarter-quarter section line or subdivision inner boundary.

(7) The geologic evidence presented by the applicant indicates that the proposed well should penetrate the Wolfcamp formation within a structure which extends into the SW/4 of Section 33. This specific Wolfcamp structure is currently classified by the Division as the Pollock-Wolfcamp Pool.

(8) According to further geologic and geophysical evidence and testimony, a well at the proposed unorthodox location should penetrate the Wolfcamp formation at a structurally higher position than a well drilled at a standard well location thereon, thereby increasing the likelihood of obtaining commercial production.

(9) All of Section 4 is a common lease which is commonly owned and operated by Harvard Petroleum Corporation.

(10) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

(11) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected 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.

(12) Due to the close proximity of the subject well to the western boundary of the proposed proration unit, it is possible that the bottomhole location of the Angell Well No. 1 will be located in the NE/4 NW/4 of Section 4.

(13) Subsequent to the completion of drilling operations, the applicant should be required to conduct a directional survey on the subject well in order to determine the actual bottomhole location.

(14) Should the actual bottomhole location of the well be in the NE/4 NW/4 of Section 4, the applicant should be required to file an amended Form C-102 (Acreage Dedication Plat) to reflect the properly dedicated acreage.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Harvard Petroleum Corporation, is hereby authorized to drill its Angell Well No. 1 at an unorthodox oil well location 509 feet from the North line and 2594 feet from the East line (Unit B) of Section 4, Township 15 South, Range 38 East, NMPM, to test the Wolfcamp formation, Lea County, New Mexico.

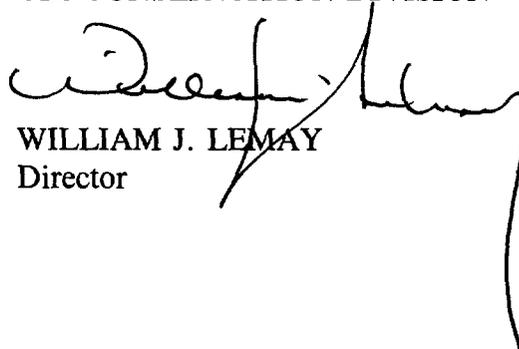
(2) Either the NW/4 NE/4 or the NE/4 NW/4 of Section 4 shall be dedicated to the subject well pending the results of a directional survey which shall be conducted on the subject well for the purpose of ascertaining the well's bottomhole location.

(3) The subject well, if completed as a producing Wolfcamp well, should be placed within the Pollock-Wolfcamp Pool.

(4) Jurisdiction is hereby 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


WILLIAM J. LEMAY
Director



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