

**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. 11290
Order No. R-10384**

**APPLICATION OF COLLINS & WARE,
INC. 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 June 1, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of June, 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, Collins & Ware, Inc., seeks authority to drill its T. D. Pope Well No. 32 at an unorthodox oil well location 102 feet from the North line and 1430 feet from the East line (Unit B) of Section 35, Township 14 South, Range 37 East, NMPM, Denton-Devonian Pool, Lea County, New Mexico.

(3) The applicant proposes to dedicate the NW/4 NE/4 of Section 35 to the subject well forming a standard 40-acre oil spacing and proration unit for the Denton-Devonian Pool.

(4) According to Division records, the N/2 NE/4 of Section 35 was previously developed in the Denton-Devonian Pool by the T. D. Pope Well Nos. 13 and 21, located, respectively, in Units B and A. Cumulative production from the Denton-Devonian Pool for the T. D. Pope Well Nos. 13 and 21 is approximately 1.2 MMBO and 0.88 MMBO, respectively.

(5) The T. D. Pope Well Nos. 13 and 21 are currently temporarily abandoned due to depletion.

(6) According to applicant's engineering evidence and testimony, both the T. D. Pope Well Nos. 13 and 21 ultimately drained less than 40 acres.

(7) The T. D. Pope Well No. 32 is located in an area of the NW/4 NE/4 of Section 35 that was not previously drained by the aforesaid T. D. Pope Well Nos. 13 and 21.

(8) Applicant projects that a well at the proposed unorthodox oil well location should ultimately recover between 100,000-350,000 barrels of oil which will otherwise not be recovered by the existing wells.

(9) Applicant's evidence and testimony indicates that Stephens & Johnson Operating Company (S & J Operating Company) is the lessee of record of the NE/4 of Section 35. The applicant has executed a farmout agreement with S & J Operating Company whereby applicant earns acreage by drilling and establishing production. This farmout agreement encompasses the E/2 of Section 35 and the S/2 of Section 26.

(10) The applicant submitted as evidence in this case a waiver of objection to the proposed unorthodox location from S & J Operating Company.

(11) All of the affected offset acreage is subject to the farmout agreement between the applicant and S & J Operating Company.

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

(13) Approval of the subject application will afford the applicant the opportunity to recover additional oil and gas reserves from the Denton-Devonian Pool underlying the NW/4 NE/4 of Section 35 which were not previously recovered, thereby preventing waste, 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.

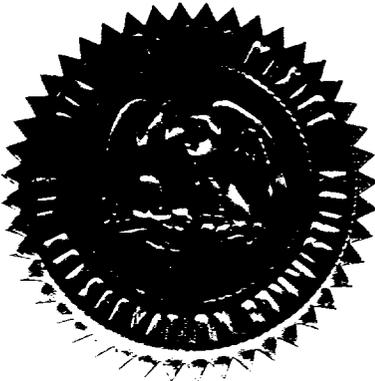
IT IS THEREFORE ORDERED THAT:

(1) The applicant, Collins & Ware, Inc., is hereby authorized to drill its T. D. Pope Well No. 32 at an unorthodox oil well location 102 feet from the North line and 1430 feet from the East line (Unit B) of Section 35, Township 14 South, Range 37 East, NMPM, Denton-Devonian Pool, Lea County, New Mexico.

(2) The NW/4 NE/4 of Section 35 shall be dedicated to the subject well forming a standard 40-acre oil spacing and proration unit for the Denton-Devonian Pool.

(3) 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "William J. Lemay", written over the typed name and title.

WILLIAM J. LEMAY
Director