

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. 2410
Order No. R-2120

APPLICATION OF HONDO OIL & GAS
COMPANY FOR PERMISSION TO DIREC-
TIONALLY DRILL AND FOR AN UNORTHO-
DOX BOTTOM-HOLE LOCATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 25, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 21st day of November, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Hondo Oil & Gas Company, seeks permission to directionally drill a well in Section 26, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico, the surface location to be 2310 feet from the North line and 1980 feet from the East line of said Section 26 and the bottom-hole location to be in the Empire-Abo Pool at a situs 2540 feet from the North line and 1980 feet from the East line of said Section 26.

(3) That the evidence reflects that the applicant can drill a commercial well on a standard location in the SW/4 NE/4 of said Section 26.

(4) That the directional drilling of the well at the proposed location might result in said well recovering a disproportionate share of the reserves in the Empire-Abo Pool, thereby impairing correlative rights.

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(5) That the applicant has failed to sustain the burden of proof necessary to justify approval of the proposed whipstock drilling.

(6) That for the reasons set forth in Findings Nos. 3, 4, and 5 above, the subject application should be denied.

IT IS THEREFORE ORDERED:

That the application in Case No. 2410 is hereby denied.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary



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