



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



BRUCE KING
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November 12, 1992

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10575
ORDER NO. R-9763

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

A handwritten signature in cursive script that reads "Florene".

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM Roswell Office

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. 10575
ORDER NO. R-9763

**APPLICATION OF KLABZUBA OPERATING COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION, CHAVES
COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 29 and November 5, 1992, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and David R. Catanach, respectively.

NOW, on this 12th day of November, 1992 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 in this matter, Klabzuba Operating Company, owns and operates a fee lease containing 640 acres, more or less, and comprises the E/2 of Section 13, Township 10 South, Range 27 East, NMPM, and the W/2 equivalent of Section 18, Township 10 South, Range 28 East, NMPM, Chaves County, New Mexico.
- (3) The applicant seeks approval to drill its K.O.C. White Well No. 3 at an unorthodox oil well location 1847 feet from the North line and 1310 feet from the East line (Unit H) of said Section 13 to test the Race Track-Devonian Pool. The SE/4 NE/4 of said Section 13 is to be dedicated to said well thereby forming a standard 40-acre oil spacing and proration unit for said pool.

(4) The applicant presented geological evidence which indicates the existence of a small anticlinal structure centered in the S/2 NE/4 of said Section 13.

(5) A well drilled at the proposed location should intersect this structure at its crest, thereby increasing the likelihood of obtaining commercial production.

(6) Since ownership within said lease is common throughout and said location is not encroaching on properties controlled by anyone else, correlative rights should therefore be protected.

(7) No other interested party objected to the proposed unorthodox location.

(8) 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.

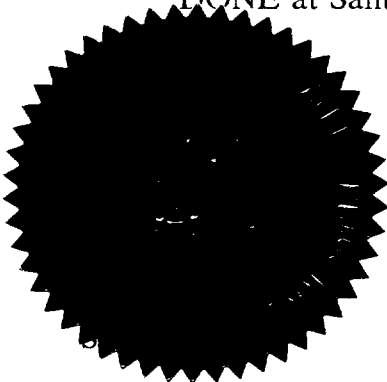
IT IS THEREFORE ORDERED THAT:

(1) The application of Klabzuba Operating Company for an unorthodox oil well location for its K.O.C. White Well No. 3 to be drilled 1847 feet from the North line and 1310 feet from the East line (Unit H) of Section 13, Township 10 South, Range 27 East, NMPM, Race Track-Devonian Pool, Chaves County, New Mexico, is hereby approved.

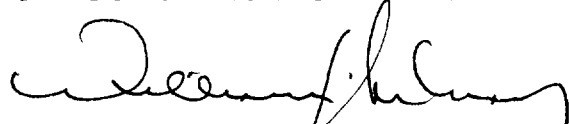
(2) The SE/4 NE/4 of said Section 13 shall be dedicated to the above-described well forming a standard statewide 40-acre oil spacing and proration unit for said pool.

(3) 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


WILLIAM J. LEMAY
Director