

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. 8374
Order No. R-7816

APPLICATION OF J. CLEO THOMPSON
AND JAMES CLEO THOMPSON, JR., A
PARTNERSHIP, FOR AN EXEMPTION TO
RULE 104 C.I., EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 14, 1984, at Santa Fe, New Mexico, before Gilbert P. Quintana.

NOW, on this 8th day of February, 1985, 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 applicants, J. Cleo Thompson and James Cleo Thompson, Jr., a partnership, seek an exception to Rule 104 C.I. of the New Mexico Oil Conservation Division General Rules and Regulations to permit the drilling at orthodox and unorthodox locations of more than four wells per 40-acre spacing unit for more efficient development of West Square Lake Waterflood Project, Townships 16 and 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) The applicant proposes to complete a 5-spot pattern across the entire West Square Lake Unit Waterflood Project, which requires the drilling of more than four wells on a 40-acre proration spacing unit.

(4) The installation of said 5-spot pattern will allow for additional recovery of a substantial number of primary and secondary reserves that would not otherwise be recovered.

(5) The applicant proposes to re-activate secondary recovery operations originally authorized through Order No.

R-7375-A and said 5-spot pattern is necessary for a more efficient and effective waterflood sweep of the reservoir.

(6) The installation of said 5-spot pattern will require the drilling of some wells at unorthodox locations and such unorthodox locations should be approved administratively.

(7) The applicants request for an Exception to Rule 104 C.I. of the New Mexico Oil Conservation Division General Rules and Regulations should be granted.

IT IS THEREFORE ORDERED THAT:

(1) The applicants, J. Cleo Thompson and James Cleo Thompson, Jr., are hereby granted an exception to Rule 104 C.I. of the New Mexico Oil Conservation Division Rules and Regulations permitting the drilling of more than 4 wells per 40-acre spacing unit for the completion of a 5-spot pattern throughout the West Square Lake Unit Waterflood Project.

(2) Unorthodox well locations within said unit shall be approved administratively provided the following special rules apply:

SPECIAL RULES FOR THE DRILLING OF
UNORTHODOX LOCATIONS WITHIN THE
WEST SQUARE LAKE UNIT WATERFLOOD
PROJECT

RULE 1. The Division Director shall have authority to grant an exception to standard oil well location requirements, provided the wells are not drilled closer than 10 feet to any quarter-quarter section or subdivision boundary line, nor closer than 330 feet to the outer boundary of the unitized area.

RULE 2. Applications for administrative approval of unorthodox locations shall be filed in triplicate and shall be accompanied by plats, showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought, and also all wells completed thereon.

RULE 3. All operators of proration or spacing units directly offsetting the unit for which the unorthodox location is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given. The Division Director may approve the unorthodox location upon receipt of waivers from all offset operators or if no offset operator has entered an objection to

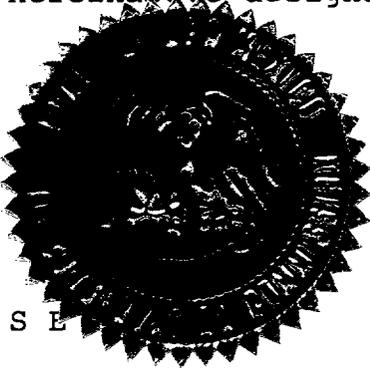
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the unorthodox location within 20 days after the Director has received the application.

(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

R. L. Stamets
R. L. STAMETS,
Director

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