

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. 10832
Order No. R-9994*

**APPLICATION OF ROBERT L. BAYLESS FOR AN UNORTHODOX GAS WELL
LOCATION, RIO ARRIBA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 23, 1993, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of October, 1993, 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, Robert L. Bayless, seeks approval to drill its Blue Mesa Well No. 1 at an unorthodox gas well location 2100 feet from the South line and 490 feet from the East line (Unit I) of Section 11, Township 24 North, Range 7 West, NMPM, to test the Undesignated Ballard-Pictured Cliffs Pool, Rio Arriba County, New Mexico. The SE/4 of said Section 11 is to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said pool.
- (3) The geological evidence presented by the applicant indicates the existence of a thin marine strand line or beach deposit trending diagonally from the northwest to the southeast through the northeastern portion of the section. A well drilled at the proposed unorthodox location should penetrate this feature at the thickest point in the subject unit thereby increasing the likelihood of encountering commercial production and perhaps enabling the applicant to recover his proportionate share of gas in the subject drilling tract.

(4) No offsetting operator and/or interest owner appeared at the hearing in opposition to this application.

(5) Approval of this application will afford the applicant the opportunity to produce its just and equitable share of the gas in the Undesignated Ballard-Pictured Cliffs 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.

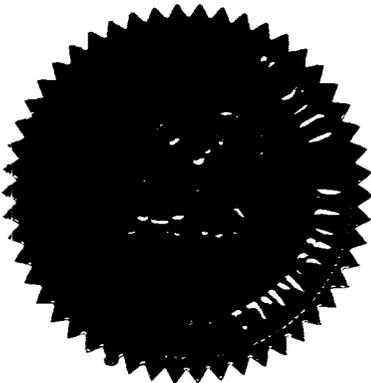
IT IS THEREFORE ORDERED THAT:

(1) The application of Robert L. Bayless to drill its Blue Mesa Well No. 1 at an unorthodox gas well location 2100 feet from the South line and 490 feet from the East line (Unit I) of Section 11, Township 24 North, Range 7 West, NMPM, to test the Undesignated Ballard-Pictured Cliffs Pool, Rio Arriba County, New Mexico, is hereby approved.

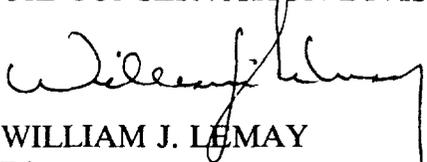
(2) The SE/4 of said Section 11 shall be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said pool.

(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