

**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. 10836
Order No. R-9997**

**APPLICATION OF SANTA FE ENERGY OPERATING
PARTNERS, L. P. 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 October 7, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

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, Santa Fe Energy Operating Partners, L. P., seeks approval of an unorthodox oil well location for its Kachina "5" Well No. 5 located 660 feet from the South line and 990 feet from the West line (Unit M) of Section 5, Township 18 South, Range 33 East, NMPM, South Corbin-Wolfcamp Pool, Lea County, New Mexico.

(3) The S/2 SW/4 of Section 5 is to be dedicated to the subject well forming a standard 80-acre oil spacing and proration unit for said pool.

(4) The subject well is located within the South Corbin-Wolfcamp Pool and is therefore subject to the Special Rules and Regulations for said pool as promulgated by Division Order No. R-8181-B, which require standard 80-acre oil spacing and proration units with wells to be located within 150 feet of the center of either governmental quarter section.

(5) The proposed unorthodox location is necessitated by both topographic and geologic considerations.

(6) Evidence indicates that the subject well was originally staked at a standard location 660 feet from the South and West lines (Unit M) of Section 5; however, due to the presence of an archaeological site, the well was moved to its present location, which, according to applicant's geologic evidence, was chosen due to its favorable geologic position.

(7) Applicant further testified that a standard location within the SE/4 SW/4 of Section 5 was unacceptable in that it would result in off-pattern development within the pool.

(8) The subject well is not encroaching on any offset acreage.

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

(10) 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 and protect correlative rights.

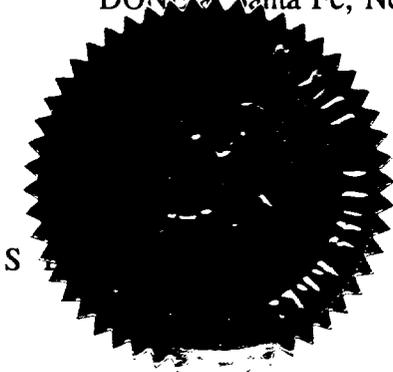
IT IS THEREFORE ORDERED THAT:

(1) The application of Santa Fe Energy Operating Partners, L. P., for an unorthodox oil well location for its Kachina "5" Well No. 5 located 660 feet from the South line and 990 feet from the West line (Unit M) of Section 5, Township 18 South, Range 33 East, NMPM, South Corbin-Wolfcamp Pool, Lea County, New Mexico, is hereby approved.

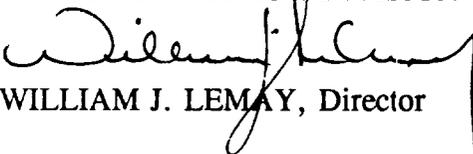
(2) The S/2 SW/4 of Section 5 shall be dedicated to the above-described well forming a standard 80-acre oil spacing and proration unit for said pool.

(3) Jurisdiction of this cause 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.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY, Director