

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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JUN 16 1980

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

O. C. D.
ARTESIA, OFFICE

CASE NO. 6889
Order No. R-6369

APPLICATION OF BELCO PETROLEUM
CORPORATION FOR DIRECTIONAL
DRILLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 4, 1980,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of June, 1980, the Division
Director, having considered the testimony, the record, and the
recommendations of the Examiner, and being fully advised in the
premises,

FINDS:

(1) That due public notice having been given as required
by law, the Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Belco Petroleum Corporation, seeks
authority to directionally drill a well, the surface location of
which would be 1980 feet from the North line and 920 feet from
the West line of Section 36, Township 22 South, Range 30 East,
in such a manner as to bottom it at an unorthodox location
within 100 feet of a point 1320 feet from the North line and
2640 feet from the West line of said Section 36 in the Morrow
formation, the N/2 of said section to be dedicated to the well.

(3) That the surface location of the proposed well is on
lands not included in the Oil-Potash Area as defined by Order
No. R-111-A, as amended, nor is it in the area withdrawn for
drilling by the United States Nuclear Regulatory Commission for
the Waste Isolation Pilot Project.

(4) That the applicant proposes to drill said well as a
straight hole from the aforesaid surface location to a depth
of approximately 6000 feet beneath the surface, and to then

directionally drill the well in an east-northeast direction to a true vertical depth of 14,400 feet, bottoming said well at the above-described location in the Morrow formation.

(5) That the applicant should be required to determine the subsurface location of the kick-off point prior to directional drilling, and to determine the subsurface location of the bottom of the hole by means of a continuous multi-shot directional survey conducted subsequent to said directional drilling, if said well is to be completed as a producing well.

IT IS THEREFORE ORDERED:

(1) That the applicant, Belco Petroleum Corporation, is hereby authorized to directionally drill a well, the surface location of which shall be 1980 feet from the North line and 920 feet from the West line of Section 36, Township 22 South, Range 30 East, in such a manner as to bottom it at an unorthodox location within 100 feet of a point 1320 feet from the North line and 2640 feet from the West line of said Section 36 in the Morrow formation, the N/2 of said Section 36 to be dedicated to the well.

PROVIDED HOWEVER, that prior to directional drilling, the operator shall determine the subsurface location of the kick-off point; and

PROVIDED FURTHER, that subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to the kick-off point with shot points not more than 100 feet apart; that the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division, P. O. Box 2088, Santa Fe, New Mexico, and that the operator shall notify the Division's Artesia District Office of the date and time said survey is to be commenced.

(2) That Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depths in addition to measured depths.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.