BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3741
Order No. R-3400

APPLICATION OF SIGNAL OIL AND GAS
COMPANY TO DIRECTIONALLY DRILL,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 3, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this___9th___day of April, 1968, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Signal Oil and Gas Company, is the owner and operator of the J. C. Williamson T. P. State Well No. 1 which has a surface location in Unit R at a point 2126 feet from the South line and 1887 feet from the East line of Section 1, Township 16 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the subject well was drilled by the applicant's predecessor to a total depth of 13,140 feet to test the Devonian formation but was non-productive.

(4) That the evidence indicates the subject well as originally drilled cut a fault.

(5) That the applicant proposes to set a whipstock in the subject well at approximately 10,347 feet, and to directionally

drill in an eastnortheasterly direction to bottom said well in
the Devonian formation at a true vertical depth of approximately
13,000 feet and within a 100-foot radius of a point in Unit Q
2160 feet from the South line and 1250 feet from the East line
of the aforesaid Section 1 in order to avoid cutting the afore-
said fault.

(6) That approval of the subject application will prevent
the drilling of unnecessary wells, prevent waste, and protect
correlative rights, provided that Unit Q is dedicated to the
subject well if the well is bottomed in Unit Q and that Unit R
is dedicated to the subject well if the well is bottomed in
Unit R.

IT IS THEREFORE ORDERED:

(1) That the applicant, Signal Oil and Gas Company, is
hereby authorized to set a whipstock at approximately 10,347
feet in its J. C. Williamson T. P. State Well No. 1 and
directionally drill in an eastnortheasterly direction to bottom
said well in the Devonian formation at a true vertical depth of
approximately 13,000 feet at a point within a radius of 100 feet
of a point in Unit Q 2160 feet from the South line and 1250 feet
from the East line of Section 1, Township 16 South, Range 38
East, NMPM, Lea County, New Mexico.

(2) That Unit Q of said Section 1 shall be dedicated to the
subject well if the well bottoms in Unit Q.

(3) That Unit R of said Section 1 shall be dedicated to the
subject well if the well bottoms in Unit R.

(4) That a continuous multi-shot directional survey shall be
made of the well bore 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 Commission, Box 2088, Santa Fe, New Mexico; and
that the operator shall notify the Commission's Hobbs District
Office of the date and time said survey is to be commenced.

(5) That Form C-105 shall be filed in accordance with Rule
1105 and the operator shall indicate thereon the true vertical
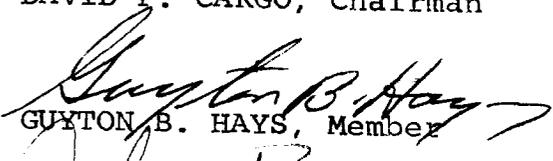depths in addition to measured depths.
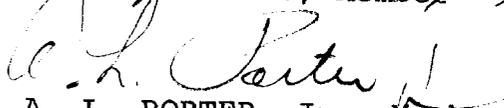
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(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary, including the future possible adjustment of the allowable assigned to the well, after notice and hearing.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

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