

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. 10755
ORDER NO. R-9949

**APPLICATION OF HAL J. RASMUSSEN OPERATING, INC. FOR FOUR
UNORTHODOX OIL WELL LOCATIONS AND FOR SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 29, 1993 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 30th day of August, 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, Hal J. Rasmussen Operating, Inc., seeks approval for four unorthodox oil well locations all in Township 26 South, Range 37 East, NMPM, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico:

- Eaves "A" Well No. 18
160 feet from the North line and 2173 feet from the East line, Unit B of Section 30;
- Eaves "A" Well No. 19
1414 feet from the South line and 3190 feet from the East line (approximately 2108' FWL), Unit K of Section 19;

- Eaves "A" Well No. 20
2570 feet from the North line and 3538 feet from the East line (approximately 1758' FWL), Unit F of Section 19; and
- Eaves "B" Well No. 20
1414 feet from the South line and 429 feet from the East line, Unit I, of Section 30.

(3) The Eaves "A" Lease comprising Lots 1 through 4, SE/4 NW/4, E/2 SW/4, NW/4 SE/4 and S/2 SE/4 of said Section 19 and Lot 1, N/2 NE/4 and NE/4 NW/4 of said Section 30 is within the Scarborough Eaves Pressure Maintenance Project Area authorized by Division Order No. R-3487-A, dated September 8, 1969.

(4) The proposed Eaves "A" Well Nos, 18, 19 and 20 are to be drilled for the purpose of completing an efficient production/injection pattern within said pressure maintenance project area, which should result in the recovery of otherwise unrecoverable oil.

(5) The proposed Eaves "B" Well No. 20 is an area of primary development only. The 40-acre tract comprising the NE/4 SE/4 of said Section 30 of which said well is to be dedicated is currently committed to the applicant's Eaves "B" Well No. 7, located at a standard oil well location 1980 feet from the South line and 660 feet from the East line of said Section 30. The No. 7 well is presently shut-in; however, was originally completed as an oil well in the Yates-Seven Rivers interval in 1963 and produced until being shut-in in December 1986. The immediate 40-acre tract to the south being the SE/4 SE/4 of said Section 30 is presently dedicated to the applicant's Eaves "B-1" Well No. 8, located at a standard oil well location 660 feet from the South line and 330 feet from the East line (Unit P) of said Section 30. This well was also completed in the Yates-Seven Rivers zone as an oil well in 1963.

(6) The applicant presented evidence which indicates a well drilled at the proposed unorthodox location between the No. 7 and No. 8 wells would be capable of draining additional reserves that might not otherwise be recovered, thereby preventing waste.

(7) No offset operator or interested party objected to the proposed unorthodox oil well locations.

(8) Approval of this application is in the best interests of conservation.

(9) The respective quarter-quarter section wherein any of the subject wells are located; being a standard 40-acre oil spacing and proration unit in the Scarborough Yates-Seven Rivers Pool in accordance with the Special Rules and Regulations for said pool as promulgated by Division Order No. R-2999, as amended; is to be dedicated to such well.

(10) Any and all applicable oil allocation rules, policies and/or procedures affecting the subject wells and units are to remain in full force and effect until further notice.

IT IS THEREFORE ORDERED THAT:

(1) The application of Hal J. Rasmussen Operating, Inc. for three unorthodox oil well locations to be drilled as producing oil wells in the Scarborough Eaves Pressure Maintenance Project is hereby approved. Said wells are all to be located in the Eaves "A" Lease in Township 26 South, Range 37 East, NMPM, Scarborough Yates-Seven Rivers Pool, Lea County, New Mexico, as follows:

WELL NO.	FOOTAGE LOCATION	UNIT	SECTION
18	160' FNL - 2173' FEL	B	30
19	1414' FSL - 3190' FEL (\approx 2108' FWL)	K	19
20	2570' FNL - 3538' FEL (\approx 1758' FWL)	F	19

FURTHER: The applicant is also authorized to drill its Eaves "B" Well No. 20 at an unorthodox oil well location in the Scarborough Yates-Seven Rivers Pool 1414 feet from the South line and 429 feet from the East line (Unit I) of said Section 30.

(2) The quarter-quarter section wherein any of the above-described wells is located in either said Sections 19 or 30 shall be dedicated to such well.

IT IS FURTHER ORDERED THAT:

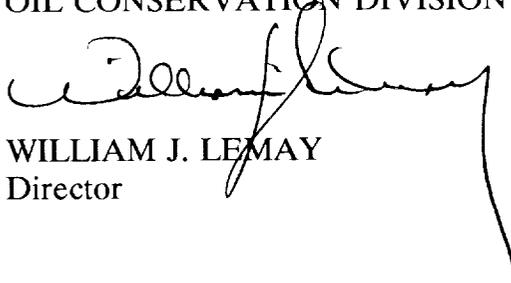
(3) Any and all applicable oil allocation rules, policies and/or procedures affecting the subject wells and units are to remain in full force and effect until further notice.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY
Director

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