

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE AMENDED APPLICATION
OF TEXACO EXPLORATION AND
PRODUCTION INC. FOR COMPULSORY
POOLING, AN UNORTHODOX SURFACE
LOCATION AND DIRECTIONAL DRILLING
LEA COUNTY, NEW MEXICO.

CASE NO. 11656

AMENDED APPLICATION

TEXACO EXPLORATION AND PRODUCTION INC. ("TEXACO"), by its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for an order (1) pooling all mineral interests in the SW/4 of Section 23, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico; (2) for approval of an unorthodox surface location; and (3) for directional drilling and in support thereof states:

1. Texaco is a working interest owner in the SW/4 of Section 23 and has the right to drill thereon.

2. Texaco proposes to dedicate this spacing unit as the "project area" for its Rhodes "23" Fed. Com No. 1 Well which it seeks authority to directionally drill from an unorthodox surface location 660 feet from the South line and 1100 feet from the West line (Unit M) of Section 23, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico. Texaco proposes to initially drill a vertical hole to a measured depth of

approximately 3200 feet and then, using short radius drilling techniques, directionally drill two high angle laterals along a northwesterly azimuth in the Yates formation, Rhodes Yates-Seven Rivers Gas Pool, until approximately 1392 feet of lateral distance is attained. Texaco proposes a lateral in Sand 4 of the Middle Yates of approximately 500 feet and a lateral in Sand 6 of the Middle Yates of approximately 1392 feet. The wellbore will not be closer than 660 feet to the outer boundary of the project area and the projected bottomhole location for the well at the end of the lateral distance is 1980 feet from the South line and 660 feet from the West line of said Section 23.

3. Applicant has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the SW/4 of said Section 23.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled thereon.

WHEREFORE, Texaco Exploration and Production Inc., requests that this amended application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on November 21, 1996, and after notice and hearing as required by law, the Division enter its order (1) pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling

and after completion, including overhead charges, imposing a risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well; (2) approving an unorthodox surface location for the well 660 feet from the South line and 1100 feet from the West line of Section 23, Township 26 South, Range 37 East; and (3) authorizing the directional drilling of two high angle laterals for said well in the Yates formation until approximately 1392 feet of lateral distance is attained.

Respectfully submitted,

CAMPBELL, CARR, & BERGE,
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR TEXACO EXPLORATION
AND PRODUCTION INC.

CASE 11656

Amended Application of Texaco Exploration and Production Inc., for compulsory pooling, an unorthodox surface location and directional drilling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the SW/4 of Section 23, Township 26 South, Range 37 East as the project area for its Rhodes "23" Fed. Com No. 1 Well to be directionally drilled in a northwesterly direction in the Yates formation, Rhodes Yates-Rhodes Seven Rivers Gas Pool from an unorthodox surface location 660 feet from the South line and 1100 feet from the West line of said Section 23. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said wells. Said area is located approximately ____ miles _____ of _____, New Mexico.