

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



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August 8, 1991

CAMBELL & BLACK
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10351
ORDER NO. R-9558

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM Roswell

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. 10351
ORDER NO. R-9558*

**APPLICATION OF STEVENS OPERATING
CORPORATION FOR AN UNORTHODOX OIL
WELL LOCATION, CHAVES COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 25, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of August, 1991 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, Stevens Operating Corporation, seeks authority to drill its proposed McClellan Federal Well No. 3 to the Undesignated South Lone Wolf-Devonian Pool at an unorthodox oil well location within a standard 160-acre oil spacing and proration unit for said pool comprising the SE/4 of Section 28, Township 13 South, Range 29 East, NMPM, Chaves County, New Mexico.
- (3) At the time of the hearing the applicant requested a change of location of the proposed well from the advertised location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 28 to a less unorthodox oil well location 2270 feet from the South line and 520 feet from the East line (Unit I) of said Section 28.

(4) The proposed well is less than one mile from the boundary of the South Lone Wolf-Devonian Pool and is therefore governed by the Special Rules and Regulations for said pool as promulgated by Division Order No. R-9514, dated May 24, 1991, which provides for 160-acre proration units and designated well location requirements such that a well be no closer than 660 feet from the outer boundary of a proration unit and no closer than 330 feet to any governmental quarter-quarter section line or subdivision boundary.

(5) The applicant presented geologic evidence which indicates that a well drilled at the proposed unorthodox location is more likely to intersect the highest point on the localized "dome-like" structure which appears to be the extent of the pool at this time (Finding Paragraph No. (7) of Division Order No. R-9514).

(6) If a well is not drilled on the highest point of this structure, "attic oil" will not be recovered therefore resulting in waste.

(7) No offset operator or interested party appeared at the hearing or objected to the application.

(8) Said application is in the best interest of conservation, will prevent waste and will not violate correlative rights and should therefore be approved.

IT IS THEREFORE ORDERED THAT:

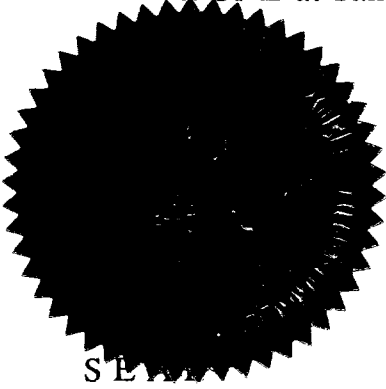
(1) The application of Stevens Operating Corporation for an unorthodox oil well location for its McClellan Federal Well No. 3 to be drilled 2270 feet from the South line and 520 feet from the East line (Unit I) of Section 28, Township 13 South, Range 29 East, NMPM, Undesignated South Lone Wolf-Devonian Pool, Chaves County, New Mexico.

(2) The SE/4 of said Section 28 is to be dedicated to said well forming a standard 160-acre oil spacing and proration unit for said pool.

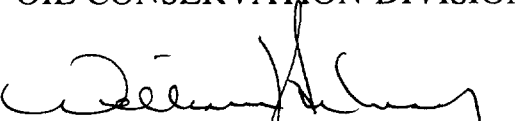
(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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Order No. R-9558
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 10351
ORDER NO. R-9558-A

APPLICATION OF STEVENS OPERATING
CORPORATION FOR AN UNORTHODOX OIL
WELL LOCATION, CHAVES COUNTY, NEW MEXICO

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-9558 dated August 9, 1991, does not correctly state the intended order of the Division,

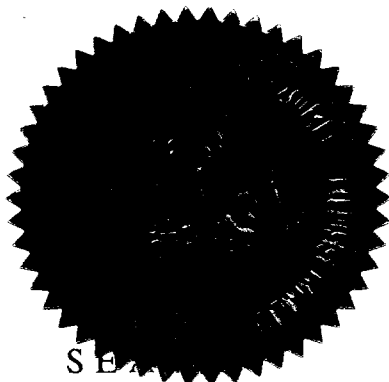
IT IS THEREFORE ORDERED THAT:

(1) Decretory Paragraph No. (1) is hereby amended to read in its entirety:

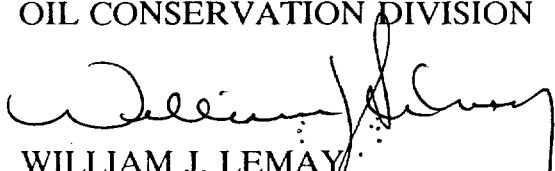
"(1) The application of Stevens Operating Corporation for an unorthodox oil well location for its McClellan Federal Well No. 3 to be drilled 2270 feet from the South line and 520 feet from the East line (Unit I) of Section 28, Township 13 South, Range 29 East, NMPM, Undesignated South Lone Wolf-Devonian Pool, Chaves County, New Mexico, is hereby approved."

(2) The corrections set forth in this order be entered nunc pro tunc as of August 9, 1991.

DONE at Santa Fe, New Mexico, on this 6th day of September, 1991



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director