

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:

APPLICATION OF KLABZUBA OIL AND GAS FOR AN
UNORTHODOX OIL WELL LOCATION, CHAVES COUNTY,
NEW MEXICO

CASE NO. 10876

APPLICATION OF KLABZUBA OIL AND GAS FOR AN
UNORTHODOX OIL WELL LOCATION, CHAVES COUNTY,
NEW MEXICO

CASE NO. 10877

ORDER NO. R-10035

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 2, 1993, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 14th day of December, 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) At the time of the hearing, Case Nos. 10876 and 10877 were consolidated for the purpose of presenting testimony.

(3) In Case No. 10876, the applicant seeks authority to drill its White "B" Well No. 1 at an unorthodox oil well location 611 feet from the South line and 1297 feet from the East line (Unit P) of Section 1, Township 10 South, Range 27 East, NMPM, in the Devonian formation, Undesignated Devonian Oil Pool, Chaves County, New Mexico with the SE/4 SE/4 of said Section 1 to be dedicated to the well.

(4) In Case No. 10877, the applicant seeks authority to drill its White "A" Well No. 1 at an unorthodox oil well location 598 feet from the North line and 1308 feet from the East line (Unit A) of Section 12, Township 10 South, Range 27 East, NMPM, in the Devonian formation, Race Track-Devonian Pool, Chaves County, New Mexico with the NE/4 NE/4 of said Section 12 to be dedicated to the well.

(5) Both wells are subject to the oil well spacing requirements of Division General Rule 104 which requires that oil wells be located at least 330 feet from any quarter-quarter section line or lot.

(6) The White "B" Well No. 1 is located 23 feet East of the West line of the SE/4 SE/4 of said Section 1. The White "A" Well No. 1 is located 12 feet East of the West line of the NE/4 NE/4 of said Section 12.

(7) If the wells are successful, Klabzuba's witness indicated that pool rules with 80-acre proration units would be requested. The S/2 SE/4 of Section 1 would then be dedicated to the White "B" Well No. 1 and the N/2 NE/4 of Section 12 would be dedicated to the White "A" Well No. 1.

(8) Klabzuba's map exhibits show that their lease in Section 1 covers the entire 640 acres; their lease in Section 12 includes the East 480 acres. Ownership is identical within each of the two leases, although different between leases, according to the applicant's witness.

(9) Both wells are more than the required 330 feet from any line which delineates a change in ownership.

(10) The applicant's witness testified that the locations were selected based on seismic data which was used to map a Devonian structure in the SE/4 of Section 1 and the NW/4 of Section 12.

(11) A structure map was submitted to show that the two locations will be at the crest of the structure. Applicant's witness testified that a water drive reservoir is expected and that the two wells would drain the entire reservoir.

(12) No offset operator or interest owner appeared at the hearing in opposition to the applications.

(13) Approval of the subject applications will afford the applicant the opportunity to produce its just and equitable share of the hydrocarbons in the affected pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant in Case No. 10876, Klabzuba Oil and Gas, is hereby authorized to drill its White "B" Well No. 1 at an unorthodox oil well location 611 feet from the South line and 1297 feet from the East line (Unit P) of Section 1, Township 10 South, Range 27 East, NMPM, in the Undesignated Devonian Oil Pool, Chaves County, New Mexico. The SE/4 SE/4 of said Section 1 shall be dedicated to the well as a standard 40-acre oil spacing and proration unit.

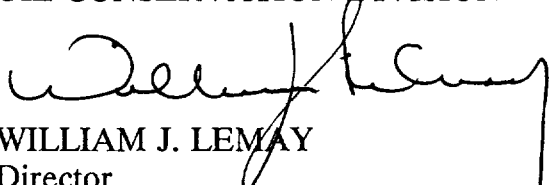
(2) The applicant in Case No. 10877, Klabzuba Oil and Gas, is hereby authorized to drill its White "A" Well No. 1 at an unorthodox oil well location 598 feet from the North line and 1308 feet from the East line (Unit A) of Section 12, Township 10 South, Range 27 East, NMPM, in the Race Track-Devonian Pool, Chaves County, New Mexico. The NE/4 NE/4 of said Section 12 shall be dedicated to the well as a standard 40-acre oil spacing and proration unit.

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director