

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. 10104
Order No. R-9255-A

APPLICATION OF BASF CORPORATION
FOR AMENDMENT OF DIVISION ORDER
NO. R-9255, SAN JUAN COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 3, 1990, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 19th day of October, 1990, 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) By Order No. R-9255, dated August 22, 1990, the Division authorized BASF Corporation to initiate a horizontal directional drilling pilot project in the S/2 SW/4 of Section 28, Township 31 North, Range 14 West, as projected into the unsurveyed Ute Mountain Indian Reservation, Undesignated Verde-Gallup Oil Pool, San Juan County, New Mexico, by drilling its Ute Mt. Tribal "28" Well No. 14 at an unorthodox surface location 1250 feet from the South line and 1100 feet from the West line (Unit M) of said Section 28 in the following unconventional manner:

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Drill vertically to a depth of approximately 3820 feet, kick off from vertical and commence a medium radius curve in an east-southeasterly direction building angle to approximately 90 degrees to encounter the Gallup formation at a true vertical depth of approximately 4460 feet, continue drilling horizontally a distance of approximately 1000 feet and bottoming said wellbore in the adjoining quarter-quarter section (Unit N) at an approximate location 1004 feet from the South line and 2542 feet from the West line of said Section 28.

(3) The applicant, BASF Corporation, seeks to amend said Order No. R-9255 by moving the surface location for the proposed Ute Mt. Tribal "28" Well No. 14 to an unorthodox oil well location 1284 feet from the South line and 1112 feet from the West line (Unit M) of said Section 28.

(4) Although no evidence and testimony were presented in the immediate case, the application indicates that the newly proposed surface location is necessitated by topographical obstructions within said Section 28.

(5) No offset operator and/or interest owner appeared and objected to the application.

(6) Approval of the subject application will enable the applicant to initiate its horizontal directional drilling pilot project as authorized by Division Order No. R-9255.

(7) All other provisions contained within said Order No. R-9255 should remain in full force and effect.

IT IS THEREFORE ORDERED THAT:

(1) Ordering Paragraph No. (2) of Division Order No. R-9255 is hereby amended to read in its entirety as follows:

"(2) The applicant is further authorized to drill its Ute Mt. Tribal "28" Well No. 14 at an unorthodox surface location 1284 feet from the South line and 1112 feet from the West line (Unit M) of said Section 28 in the following unconventional manner:

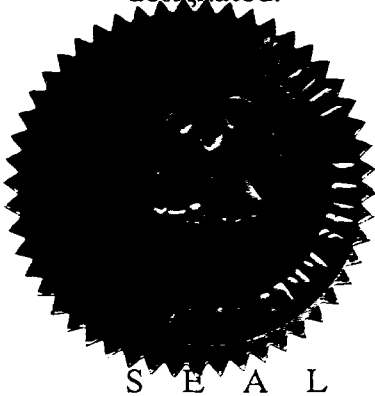
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Drill vertically to a depth of approximately 3820 feet, kick off from vertical and commence a medium radius curve in an east-southeasterly direction building angle to approximately 90 degrees to encounter the Gallup formation at a true vertical depth of approximately 4460 feet, continue drilling horizontally a distance of approximately 1000 feet and bottoming said wellbore in the adjoining quarter-quarter section (Unit N) at an approximate location 1004 feet from the South line and 2542 feet from the West line of said Section 28."

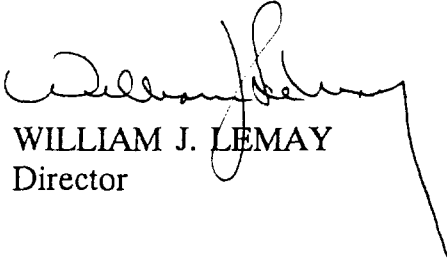
(2) All other provisions contained within Division Order No. R-9255 shall remain in full force and effect.

(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