

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. 10941
ORDER NO. R-10092

**APPLICATION OF COLLINS & WARE, INC. FOR AN UNORTHODOX OIL WELL
LOCATION, LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 17, 1994 at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 30th day of March, 1994 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, Collins & Ware, Inc., seeks approval for an unorthodox oil well location to be drilled 2100 feet from the South line and 1500 feet from the West line (Unit K) of Section 10, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico, to test the Undesignated Humble City-Strawn Pool. The E/2 SW/4 of said Section 10 is to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool.
- (3) The proposed location was selected for geologic reasons. Applicant's witness used an isopach map to show that the well should encounter approximately 200 feet of net pay at the proposed location compared to 130 to 160 feet at the best orthodox location. The witness also testified that a successful well requires in excess of 150 feet of net pay and that reef porosity in the Strawn formation is better developed in the thicker portion of the reservoir.

(4) The proposed well, the Scarborough Well No. 1, would be completed in the Strawn formation and assigned to the Humble City-Strawn Pool. Pool rules for the Humble City-Strawn Pool provide for 80-acre spacing with wells located within 150 feet of the center of a governmental quarter-quarter section.

(5) According to the testimony by the witness, the available orthodox locations in the spacing unit would be uneconomical.

(6) The applicant's commitments require that the well be started by April 12, 1994.

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

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

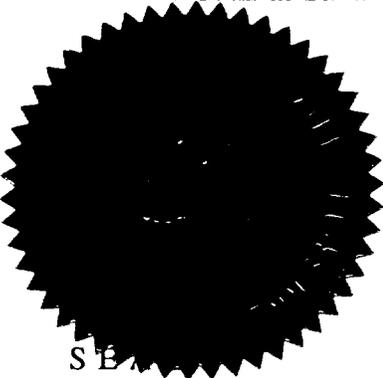
IT IS THEREFORE ORDERED THAT:

(1) The applicant, Collins & Ware, Inc., is hereby authorized to drill its Scarborough Well No. 1 at an unorthodox oil well location 2100 feet from the South line and 1500 feet from the West line (Unit K) of Section 10, Township 17 South, Range 37 East, NMPM, in the Undesignated Humble City-Strawn Pool, Lea County, New Mexico.

(2) The E/2 SW/4 of said Section 10 shall be dedicated to the well to form a standard 80-acre gas 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.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

William J. Lemay / by M.E.S.

WILLIAM J. LEMAY
Director