

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

December 27, 1984

Mr. Michael E. Stogner
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

"Hand Delivered"

Re: Chaveroo Operating Co., Inc.
NMOCD Case 8422
November 28, 1984 M.S.

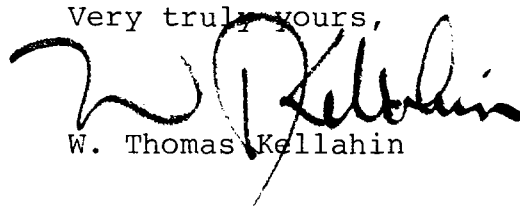
Dear Mike:

Please find enclosed for your consideration, a
proposed order in the referenced case.

Our client is anxious to have this order entered
prior to December 31, 1984.

Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: William J. Graham
G & P Exploration Inc.
4800 San Felipe
Suite 620
Houston, Texas 77056

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8422
ORDER NO. R-

APPLICATION OF CHAVEROO
OPERATING CO., INC. FOR FIVE
UNORTHODOX OIL WELL LOCATIONS,
ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 28, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this ____ day of December, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Chaveroo Operating Co., Inc., seeks approval of five unorthodox oil well locations to be drilled in Township 7 South, Range 33 East, NMPM, Chaveroo-San Andres Pool, Roosevelt County, New Mexico, as follows:

1. Anderson State No. 10
1310 FNL and 1310 FEL (NE/4NE/4) of Section 36

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2. Humble Federal Well No. 9
1310 FNL and 1310 FWL (NW/4NW/4) of Section 25
3. Tucker No. 5
1310 FWL and 1310 FSL (SW/4SW/4) of Section 24
4. Tucker Hall No. 9
1310 FNL and 1310 FEL (NE/4NE/4) of Section 25
5. KMS No. 6 Well
2630 FNL and 1310 FWL (SW/4NW/4) of Section 36

(3) That the quarter-quarter section wherein any of said wells is located is to be dedicated to such well.

(4) That wells at said unorthodox locations will better enable applicant to produce the oil underlying the proration units and the applicant's leases.

(5) That no offset operator objected to the proposed unorthodox locations.

(6) That Applicant has withdrawn its request for approval of a non-standard proration unit.

(7) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the Chaveroo-San Andres Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Chaveroo Operating Company, Inc., for five unorthodox oil well locations is hereby approved, said wells all to be located in Township 7 South, Range 33 East, NMPM, Chaveroo-San Andres Pool, Roosevelt County, New Mexico, as follows:

1. Anderson State No. 10
1310 FNL and 1310 FEL (NE/4NE/4) of Section 36
2. Humble Federal Well No. 9
1310 FNL and 1310 FWL (NW/4NW/4) of Section 25

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3. Tucker No. 5
1310 FWL and 1310 FSL (SW/4SW/4) of Section 24
4. Tucker Hall No. 9
1310 FNL and 1310 FEL (NE/4NE/4) of Section 25
5. KMS No. 6 Well
2630 FNL and 1310 FWL (SW/4NW/4) of Section 36

(2) That the quarter-quarter section wherein any of said wells is located in shall be dedicated to such well.

(3) That 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

RICHARD L. STAMETS
Director

S E A L



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

January 9, 1985

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Thomas Kellahin
Kellahin & Kellahin
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 8422
ORDER NO. R-7774

Applicant:

Chaveroo Operating Co., Inc.

Dear Sir:

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

Sincerely,

B. L. Stewart

R. L. STAMETS
Director

RLS / fd

Copy of order also sent to:

Hobbs OCD	<u> x </u>
Artesia OCD	<u> x </u>
Aztec OCD	

Other _____