

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-7774

APPLICATION OF CHAVEROO OPERATING
COMPANY, INC. FOR FIVE UNORTHODOX
OIL WELL LOCATIONS AND A NON-STANDARD
PRORATION UNIT, ROOSEVELT COUNTY,
NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 28, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of January, 1985, 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, Chaveroo Operating Company, Inc., seeks approval of five unorthodox oil well locations all in Township 7 South, Range 32 East, NMPM, Chaveroo-San Andres Pool, Roosevelt County, New Mexico, as follows:

Anderson State Well No. 10
1310 feet from the North and
East lines (Unit A) Section 36

Humble Federal Well No. 9
1310 feet from the North and
West lines (Unit D) Section 25

Tucker Well No. 5
1310 feet from the South and West
lines (Unit M) Section 24

Tucker-Hall Well No. 9
1310 feet from the North and East
lines (Unit A) Section 25, and

KMS Well No. 6
2630 feet from the North line and
1310 feet from the West line (Unit E)
Section 36.

(3) The applicant further seeks approval of a non-standard 160-acre oil proration unit comprising the S/2 NW/4 and N/2 SW/4 of Section 36, Township 7 South, Range 32 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico, to be dedicated to said applicant's KMS Well No. 6.

(4) At the time of the hearing the applicant requested that that portion of this application seeking the above-described non-standard 160-acre oil proration unit be dismissed.

(5) The respective quarter-quarter section wherein any of said wells is located is to be dedicated to such well.

(6) Wells at said unorthodox locations will better enable applicant to produce the oil underlying their respective proration units.

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

(6) 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 THAT:

(1) The application of Chaveroo Operating Company, Inc. for five unorthodox oil well locations all in Township 7 South, Range 32 East, NMPM, Chaveroo-San Andres Pool, Roosevelt County, New Mexico, is hereby approved as follows:

Anderson State Well No. 10
1310 feet from the North and East
lines (Unit A) Section 36

Humble Federal Well No. 9

1310 feet from the North and West
lines (Unit D) Section 25

Tucker Well No. 5
1310 feet from the South and
West lines (Unit M) Section 24

Tucker-Hall Well No. 9
1310 feet from the North and
East lines (Unit A) Section 25 and,

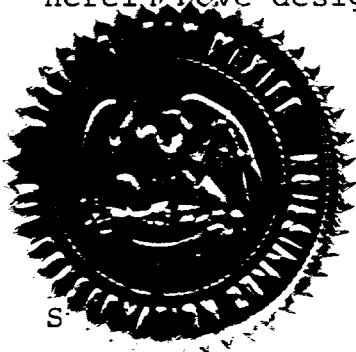
KMS Well No. 6
2630 feet from the North line and
1310 feet from the West line (Unit E)
Section 36.

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


(3) The applicant's request for a non-standard 160-acre
oil proration unit comprising the S/2 NW/4 and the N/2 SW/4 of
Section 36, Township 7 South, Range 32 East, Chaveroo-San
Andres Pool, Roosevelt County, New Mexico, to be dedicated to
said applicant's KMS Well No. 6, is hereby dismissed.

(4) 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


R. L. STAMETS,
Director