

Case No. 9670  
Order No. R-8917-A  
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should be reduced; therefore approval of the subject application utilizing the penalty formula as outlined in said Order No. R-8917 and Finding Paragraph (3) above, will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk from drilling an excessive number of wells and will otherwise prevent waste and will serve to protect correlative rights in this situation.

(10) The applicant should be required to determine the subsurface location of the kick-off point in the wellbore prior to directional drilling and should subsequently be required to conduct a multi-shot directional survey during or upon completion of drilling operations from the kick-off point to total depth.

(11) The applicant should be required to notify the supervisor of the Artesia district office of the Division of the date and time said directional surveys are to be conducted so that they may be witnessed. The applicant should further be required to provide a copy of said directional surveys to the Santa Fe and Artesia offices of the Division upon completion.

(12) The penalty should however be based on that portion of the total completion interval closest to the eastern boundary of the unit rather than the bottomhole location as provided for in Order No. R-8917 and in Finding Paragraph No. (3), above.

(13) Upon the successful directional drilling and completion of the subject well, said Division Order No. R-8917 should be placed in abeyance.

(14) However, if in the event re-entry into the Honolulu Federal Well No. 1 is unsuccessful, said Division Order No. R-8917 should remain in full force and effect and any other order resulting in the immediate case should become void and of no further effect.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Stevens Operating Corporation, is hereby authorized to re-enter the plugged and abandoned Philtex Oil Company Honolulu Federal Well No. 1 located 1980 feet from the South and West lines (Unit K) of Section 9, Township 14 South, Range 29 East, NMPM, Chaves County, New Mexico, and directionally drill, in the manner described in Finding Paragraph No. (6) of this order, so as to penetrate the North King Camp-Devonian Pool within 500 feet west of an unorthodox oil well location 1980 feet from the South line and 2475 feet from the West line of said Section 9.

PROVIDED HOWEVER THAT, prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.