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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. 9670
ORDER NO. R-8917-A

APPLICATION OF STEVENS OPERATING CORPORATION
TO AMEND DIVISION ORDER NO. R-8917,
DIRECTIONAL DRILLING, AND AN UNORTHODOX
OIL WELL LOCATION, CHAVES COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 10, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 18th day of May, 1989, 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 Division Order No. R-8917, dated April 19, 1989, the applicant in Case No. 9617, Curry and Thornton, was authorized to drill a well to test the North King Camp-Devonian Pool at an unorthodox oil well location 1980 feet from the South line and 2475 feet from the West line (Unit K) of Section 9, Township 14 South, Range 29 East, NMPM, Chaves County, New Mexico. Said Order also approved a 160-acre non-standard oil proration unit comprising the E/2 W/2 of Section 9 to be dedicated to the above-described well.

(3) Said Order No. R-8917 also set forth a penalty to be assessed against the top unit allowable assigned to the well by utilizing the following formula, based on the actual bottomhole location of the wellbore to be determined by a directional survey of the completed well:

- a. a penalty (P_i) based on the proportion of distance the actual location is moved toward the boundary from the standard location;