

FOR RECORD ONLY

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:

Domina
CASE NO. 12010
Order No. R-11022

APPLICATION OF BASS ENTERPRISES
PRODUCTION COMPANY FOR A NON-
STANDARD SUBSURFACE OIL WELL
LOCATION/PRODUCING AREA, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 23, 1998, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 30th day of July, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

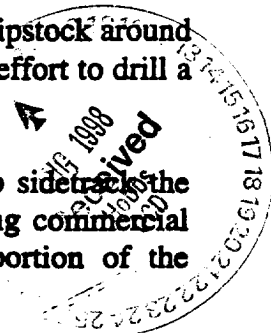
(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Bass Enterprises Production Company, seeks approval to recomplete its Monteith "C" Well No. 1 (API No. 30-025-34284), located at a standard surface oil well location 660 feet from the North line and 1830 feet from the East line (Unit B) of Section 13, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, by directionally drilling to an unorthodox bottomhole oil well location in the Northeast Lovington-Pennsylvanian Pool located within a target area which is no closer than 510 feet from the north, south and east boundaries of the proration unit, nor closer than 186 feet from the west boundary of the proration unit. The W/2 NE/4 of Section 13 is to be dedicated to the subject well forming a standard 80-acre spacing and proration unit for said pool.

(3) The Monteith "C" Well No. 1 is located within the Northeast Lovington-Pennsylvanian Pool which is currently governed by special rules and regulations as promulgated by Division Order No. R-3816, which require standard 80-acre spacing and proration units with wells to be located within 150 feet of the center of either governmental quarter-quarter section or lot.

(4) The evidence and testimony presented by the applicant indicates that:

- a) the Monteith "C" Well No. 1 was originally drilled to the Strawn formation during the second quarter of 1998 at a standard oil well location within the Northeast Lovington-Pennsylvanian Pool 660 feet from the North line and 1830 feet from the East line (Unit B) of Section 13;
- b) the Monteith "C" Well No. 1 encountered the Strawn interval on the flank of the targeted structure in an area of minimal porosity and permeability development. Consequently, the well tested non-productive in this portion of the structure;
- c) the applicant obtained approval from the Hobbs District Office of the Division to directionally drill the existing wellbore in a westerly direction so as to penetrate the Strawn structure in an area of greater porosity and permeability development;
- d) the applicant directionally drilled the Monteith "C" Well No. 1 to a non-standard bottomhole location 630 feet from the North line and 2320 feet from the East line (Unit B) and, subsequent to completing directional drilling operations, lost the bottom portion of the hole due to mechanical problems;
- e) applicant is currently attempting to whipstock around the fish (top of fish @ 11,435') in an effort to drill a parallel hole in the Strawn formation;
- f) if successful in its second attempt to sidetrack the well, applicant anticipates establishing commercial hydrocarbon production from this portion of the Strawn structure; and,
- g) the anticipated bottomhole location for the Monteith "C" Well No. 1 is approximately 630 feet from the North line and 2315 feet from the East line (Unit B) of Section 13, which is well within the targeted area.



(5) Applicant's geologic evidence and testimony further indicates that the targeted Strawn structure is very limited in extent and is contained, for the most part, within the NW/4 NE/4 of Section 13.

(6) Applicant provided notice of its application to all interest owners within the NW/4 of Section 13, being the affected offset acreage.

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

(8) Approval of the proposed unorthodox bottomhole location will provide the applicant the opportunity to produce its just and equitable share of the oil within the Strawn formation underlying the proposed proration unit, will prevent the drilling of unnecessary wells, and will otherwise prevent waste and protect correlative rights.

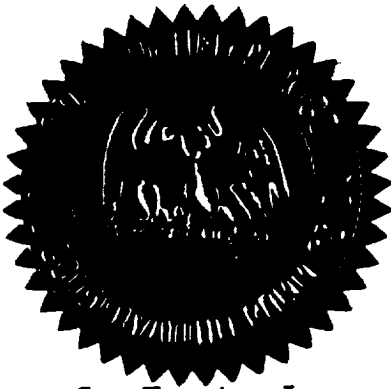
IT IS THEREFORE ORDERED THAT:

(1) The applicant, Bass Enterprises Production Company, is hereby authorized to recomplete its Monteith "C" Well No. 1 (API No. 30-025-34284), located at a standard surface oil well location 660 feet from the North line and 1830 feet from the East line (Unit B) of Section 13, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, by directionally drilling to an unorthodox bottomhole oil well location in the Northeast Lovington-Pennsylvanian Pool located within a target area which is no closer than 510 feet from the north, south and east boundaries of the proration unit, nor closer than 186 feet from the west boundary of the proration unit.

(2) The W/2 NE/4 of Section 13 shall be dedicated to the subject well forming a standard 80-acre 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenberg
LORI WROTENBERY
Director