



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

February 3, 1997

The Wiser Oil Company
c/o J. O. Easley, Inc.
P. O. Box 1796
Roswell, New Mexico 88202-1796
Attention: Michael R. Burch

Administrative Order DD-164

Dear Mr. Burch:

Under the provisions of **Rules 111.D and E** of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10388, issued by the Oil Conservation Commission in Case 11,274 on June 13, 1995, J. O. Easley, Inc., on behalf of the operator, The Wiser Oil Company ("Wiser"), made application to the New Mexico Oil Conservation Division on January 8, 1997 for authorization to directional drill the Caprock Maljamar Unit Well No. 280 (API No. 30-025-33773), Lea County, New Mexico.

The Division Director Finds That:

- (1) The proposed wellbore is to be drilled to a pre-determined bottom-hole location to the Maljamar-grayburg-San Andres Pool within the Caprock Maljamar Unit Waterflood Project Area, established by Division Order No. R-10094, dated April 5, 1994;
- (2) The Caprock Maljamar Unit Area (approved by Division Order No. R-10093, dated April 5, 1994) and corresponding Caprock Maljamar Unit Waterflood Project Area comprises the following described 4,160-acre, more or less, area in Lea County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 13: SE/4
Section 24: All

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 17: All
Section 18: NE/4 and S/2
Sections 19 and 20: All
Section 21: W/2 NW/4, SE/4 NW/4, W/2 SW/4, and SE/4 SW/4
Section 27: NW/4 SW/4
Section 28: SW/4 NE/4, W/2, and SE/4
Section 29: NE/4 NE/4
Section 33: N/2 NE/4 and SE/4 NE/4;

- (3) The Maljamar-Grayburg-San Andres Pool within the Caprock Maljamar Unit Waterflood Project Area is subject to the statewide rules and regulations for oil wells, as promulgated by **Rules 104.C(1) and F(1)**, which provides for 40-acre oil spacing and proration units, or drilling units, and requires that wells be located no closer than 330 feet to the outer boundary of the lease or unitized area (pressure maintenance/waterflood project area), nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary;
- (4) The surface area of the proposed well location dictates the necessity for deviating this well in a predetermined direction. The existence of gathering lines, flow lines, and pipelines requires the well to be located 932 feet from the South line and 330 feet from the West line (Unit M) of said Section 28;
- (5) The proposed bottom-hole location within the Maljamar-Grayburg-San Andres Pool, 1395 feet from the South line and 330 feet from the West line (Unit L) of said Section 28, is necessary to complete an effective and efficient injection/production pattern for the current secondary recovery operations within the Caprock Maljamar Unit Waterflood Project Area;
- (6) The "target or project area" for said directional drilling should be within a reasonable radius of the projected bottom-hole location of 1395 feet from the South line and 330 feet from the East line of said Section 28; and,
- (7) It appearing the applicant has satisfied all of the appropriate requirements prescribed in said **Rules 111.D and E and 104.C(1) and F(1)**, the subject application should be approved and the well should be governed by the provisions contained within this order and all other applicable provisions of **Division General Rules 104 and 111**.

IT IS THEREFORE ORDERED THAT:

(1) The Wiser Oil Company ("Wiser") is hereby authorized to drill its Caprock Maljamar Unit Well No. 280 (**API No. 30-025-33773**) from a surface location 932 feet from the South line and 330 feet from the West line (Unit M) of Section 28, Township 17 South, Range 33 East, NMPM, Caprock Maljamar Unit Waterflood Project Area, Caprock Maljamar Unit Area, Lea County, New Mexico, kick-off to the north and directionally drill into the Maljamar-Grayburg-San Andres Pool as close as is reasonably possible to the targeted bottom-hole location of 1395 feet from the South line and 330 feet from the West line (Unit L) of said Section 28.

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

PROVIDED FURTHER THAT during or upon completion of said directional drilling operations, the operator shall conduct an accurate wellbore survey from the kick-off point to total depth in order that

the subsurface bottom-hole location, as well as the wellbore's true depth and course, may be determined.

(2) The operator shall notify the supervisor of the Hobbs District office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The operator shall further provide a copy of said wellbore surveys to the Santa Fe and Hobbs offices of the Division upon completion.

(3) The operator shall comply with all requirements and conditions set forth in **Division General Rule 111.E(2)** and any applicable requirements in **111.D** and **F** and **104.C(1)** and **104.F(2)**.

(4) Form C-105 shall be filed in accordance with **Division Rule 1105** and the operator shall indicate thereon true vertical depth in addition to measured depths.

(5) 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


WILLIAM J. LEMAY
Director

S E A L

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe