

**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. 11404
Order No. R-10502**

**APPLICATION OF CHESAPEAKE OPERATING
INC. FOR AN UNORTHODOX OIL WELL
LOCATION, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 19, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of October, 1995, 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, Chesapeake Operating, Inc., seeks approval to drill its Shaw "15" Well No. 2 at an unorthodox oil well location 2100 feet from the North line and 2310 feet from the East line (Unit G) of Section 15, Township 17 South, Range 37 East, NMPM, to test the Strawn formation, Humble City-Strawn Pool, Lea County, New Mexico.

(3) The S/2 NE/4 of Section 15 is to be dedicated to the subject well forming a standard 80-acre oil spacing and proration unit for said pool.

(4) The subject well is located within the Humble City-Strawn Pool and is therefore subject to the Special Rules and Regulations for said pool as promulgated by Division Order No. R-4338, which require standard 80-acre oil spacing and proration units with wells to be located within 150 feet of the center of either quarter-quarter section or lot.

(5) The applicant presented geologic evidence and testimony based upon well control and 3-D seismic data in support of its proposed unorthodox location.

