

Case No. 10864
Order No. R-10024
Page 4

(12) At the time of the hearing the applicant requested an administrative procedure be adopted whereby the locations for each of the unorthodox "lease line" oil wells may be moved a distance of not more than 100 feet from the approved location, if required by "topographic" conditions. In this instance where well locations were the main focus of the application, involves an agreement which is well site specific and includes provisions for the allocation of costs and production based on those specific locations, and where the applicant has established operations, the operator should be in a position to know rather a well site is drillable both physically and in a regulatory sense. Further, the applicant testified at the hearing that said locations have been surveyed and that no surface conditions were known to exist which would prohibit Texaco from obtaining proper authority to drill at the requested locations. However, there still exist that possibility of an unforeseen condition that would prohibit the operator for locating at the exact requested point.

(13) Any request for an administrative procedure to permit Texaco to move the well location of any of the subject wells herein approved by this order should be denied.

(14) Granting approval for the eight remaining unorthodox "lease line" producing oil well locations should result in a more efficient waterflood production pattern within each of the three separate Waterflood Project Areas, is in the best interest of conservation, will prevent waste by allowing the operator a chance to recover additional oil reserves within the Rhodes (Yates-Seven Rivers) Pool that might not otherwise be produced, and serves to protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Texaco Exploration and Production Inc. ("Texaco"), is hereby authorized eight unorthodox "lease line" locations for wells to be drilled as producing oil wells in either its Rhodes "B" Federal (Lease) Waterflood Project Area or its Rhodes Yates (Unit) Waterflood Project Area, said wells all to be located in Township 26 South, Range 37 East, NMPM, Rhodes (Yates-Seven Rivers) Pool, Lea County, New Mexico, as follows:

Well Name and No.	Footage Location	Section	Unit	Dedicated 40-Acre Tract
W. H. Rhodes "B" NCT-1 Well No. 22	1572' FSL - 2375' FEL	27	J	NW/4 SE/4
W. H. Rhodes "B" NCT-1 Well No. 27	1155' FNL - 2376' FEL	27	B	NW/4 NE/4
Rhodes Yates Unit Well No. 18	2551' FNL - 44' FWL	27	E	SW/4 NW/4
Rhodes Yates Unit Well No. 19	1360' FSL - 50' FWL	27	L	NW/4 SW/4