

OIL CONSERVATION DIVISION
RECEIVED

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Oryx Energy Company
13155 Noel Road
Dallas TX 75240-5067
PO Box 2880
Dallas TX 75221-2880
214 715 4000

June 26, 1992

State of New Mexico
Energy and Mineral Department
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attention: Mr. David R. Catanach

**RE: Request for Non-Standard Proration Unit
Bagley Siluro-Devonian Pool**

**State C A\C1 #1-B
Section 2, T12S, R33E
Lea County, New Mexico**

Dear Mr. Catanach:

Oryx Energy Company respectfully requests approval for 40 acre non-standard proration unit for the State C A/C1 #1-B well located in the Bagley Siluro-Devonian Pool, Section 2, T12S, R33E, Lea County.

There is only 40 acres to be prorated to this well since the #2 and #5 share the 80 acres in units C and F.

By copy of this letter, sent by registered mail, Amerada Hess will be notified of this request.

Sincerely,

Don Aldridge
Proration Analyst

DA/w1

OFFSET OPERATOR

Amerada Hess
Drawer D
Monument, New Mexico 88265

Amerada Hess
Box 2040
Tulsa, Oklahoma 74102

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

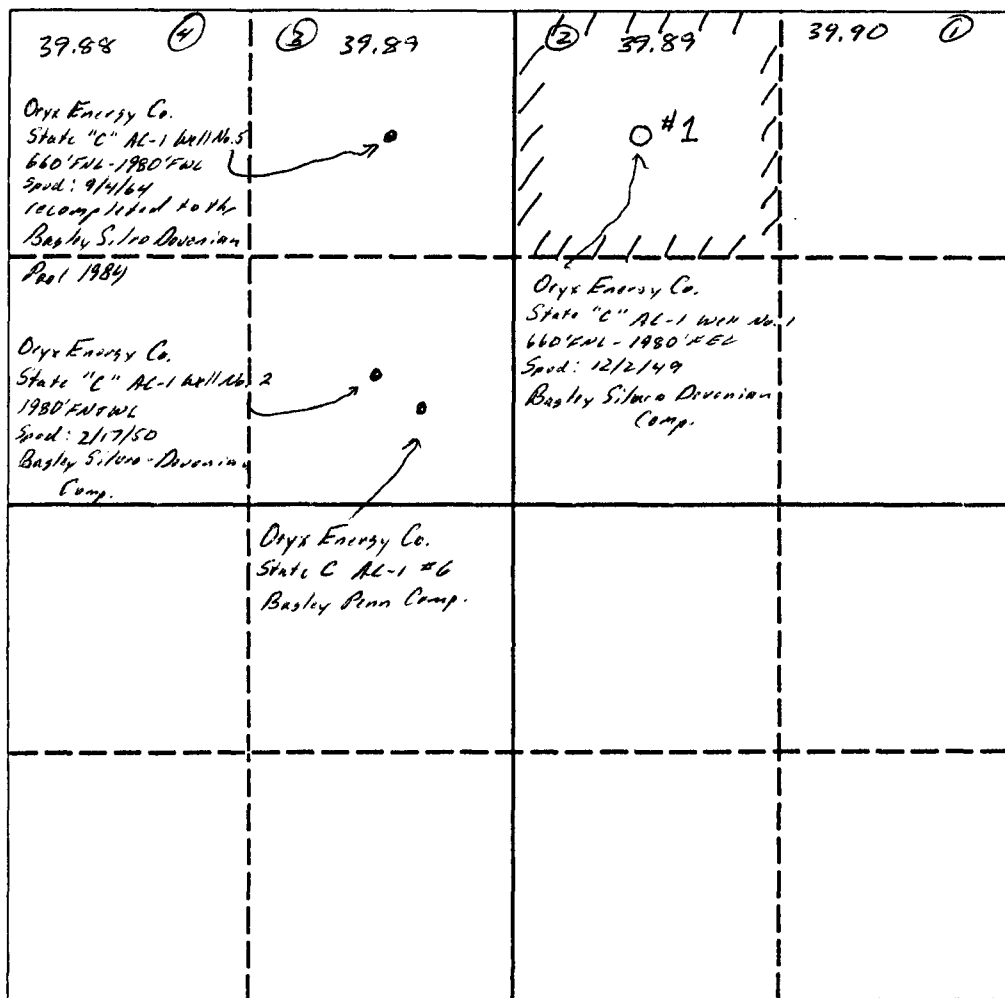
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator DRYX ENERGY Co.			Lease STATE C AL-1		Well No. 1
Unit Letter B	Section 2	Township 12S	Range 33E	County LEA	
Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the EAST line					
Ground level Elev. 4237'	Producing Formation SILURO-DEVONIAN		Pool Bagley Siluro-Devonian	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Don Aldridge
Printed Name
DON ALDRIDGE
Position
Production Analyst
Company
Dryx Energy Co.
Date
June 25, 1992

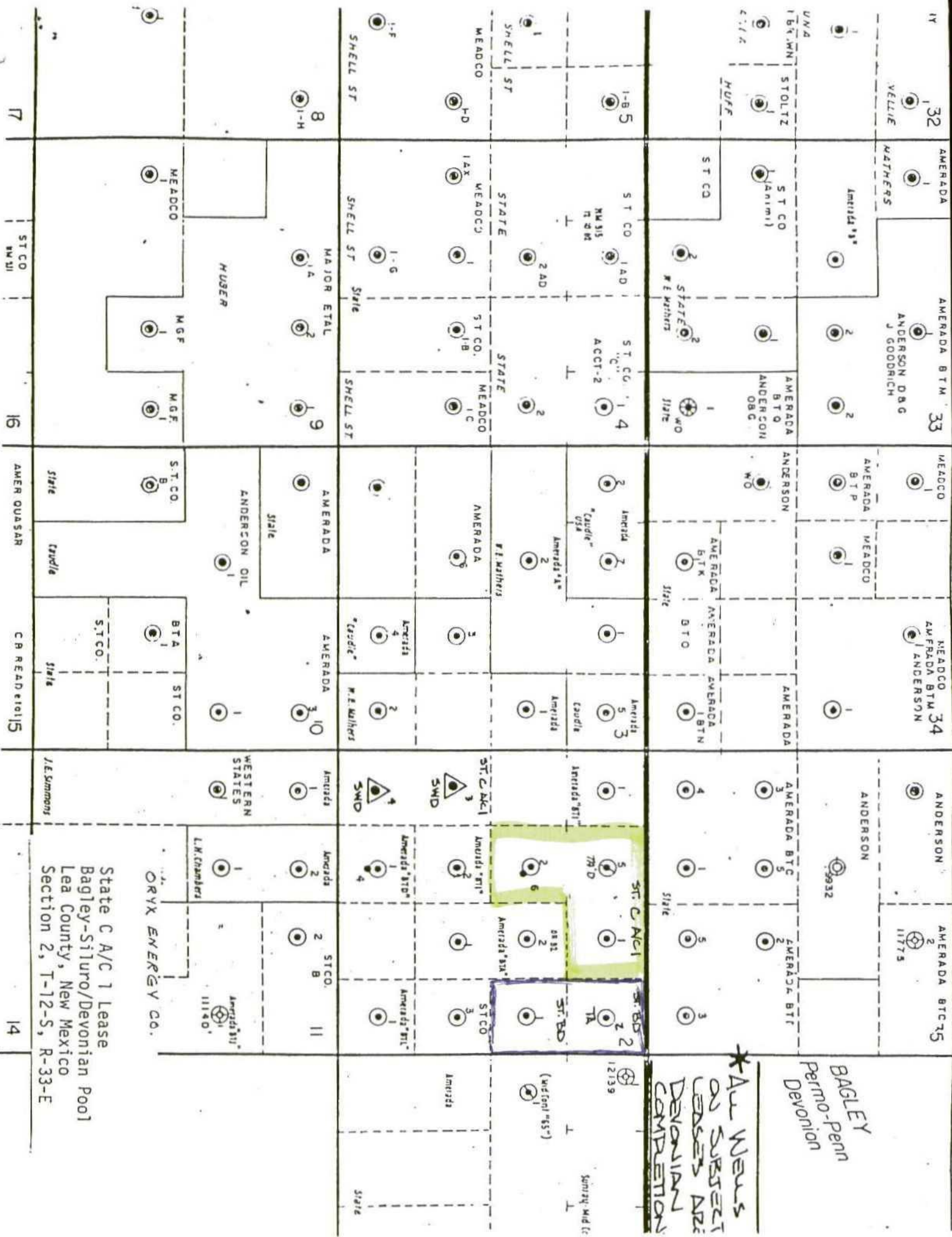
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.



BAGLEY
Permco-Penn
Devonion

*All Wells
on SUBJECT
LEASES ARE
DEVONIAN
COMPLETION

ORYX ENERGY CO.

State C A/C 1 Lease
Bagley-Siluro/Devonian Pool
Lea County, New Mexico
Section 2, T-12-S, R-33-E



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

June 2, 1986

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501-2088
(505) 827-5800

MEMORANDUM NO. 4-86

TO: ALL OPERATORS AND INTERESTED PARTIES
FROM: R. L. STAMETS, DIRECTOR *RLS*
SUBJECT: CLARIFICATION OF ADMINISTRATIVE APPROVAL PROCESSES IN CERTAIN
POOLS WITH SPECIAL RULES

Division Rule 1 provides in part that: "Special rules, regulations and orders have been and will be issued when requested and shall prevail as against General Rules, Regulations and Orders if in conflict therewith. However, whenever these General Rules do not conflict with special rules heretofore or hereafter adopted, these General Rules shall apply."

Over the years, many special pool rules have been written. Many of these contained special rules providing for administrative exceptions to such matters as location requirements or spacing unit size while others did not. One prevailing opinion is that the intent of those special rules without administrative exception provisions was to preclude such exceptions. The counter opinion is that when read with Rule 1, if nothing is said, then the administrative exception provisions in the General Rules shall apply.

Notice is hereby provided that it is henceforth to be Division policy to utilize the administrative exceptions or approval procedures of the General Rules when special pool rules are silent as to such exceptions. This policy will save both the Division and operators the cost of unnecessary hearings.

Any person who is aware of any pool with special rules which should preclude any of the administrative exceptions or approvals provided in the General Rules should notify this office of such situation at the earliest possible date providing the reasoning for precluding administrative exceptions. Thereafter, we would suspend this policy for such pool and schedule a case to modify such special rules to incorporate the necessary prohibitions.

RLS:dp

BAGLEY-SILURO-DEVONIAN POOL, Lea County, New Mexico, by Order No. R-69, Adopting Rules for the Bagley Siluro-Devonian Pool, Lea County, New Mexico, May 1, 1951; as Amended by Order No. R-69-A, April 29, 1952; Order No. R-69-B, April 20, 1953; Order No. R-69-C, May 21, 1953; and Order No. R-69-D, June 30, 1954.

The matter of the application of the Oil Conservation Commission upon its own motion for an order in an order directed to the operators in the Bagley-Siluro-Devonian Pool, Lea County, New Mexico, to show cause why said pool should not be placed on 80-acre spacing with allowable adjustment, upon expiration of temporary order.

CASE NO. 249
TIME CITATION NO. 249 (Consolidated with Case No. 315)
Order No. R-69-D

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing on May 19, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 30th day of June, 1954, the Commission, a quorum being present, having considered the testimony adduced and exhibits received at said hearings, and being fully advised in the premises,

FINDS:

(1) That due notice having been given and proper service had upon the operators in said pool as required by law, the Commission has jurisdiction of this cause.

(2) That originally the Commission issued Temporary Order R-69, effective May 1, 1951, to and including May 1, 1952, authorizing the development and production of the Bagley-Siluro-Devonian Pool on an 80-acre spacing pattern with 80-acre proration units.

(3) That thereafter and prior to the expiration of Order R-69, the Commission after due notice and hearing issued Order R-69-A, which granted an extension of Order R-69 as modified, for a period of one year from and after May 1, 1952.

(4) That thereafter and prior to the expiration of Order R-69-A as modified by Order R-69-B, the Commission after due notice and hearing issued Order R-69-C, effective June 1, 1953, to and including June 1, 1954, which authorized the development and production of the Bagley-Siluro-Devonian Pool on an 80-acre spacing pattern with 80-acre proration units.

(5) That for the prevention of waste and in the interests of conservation, the provisions of said Commission Temporary Order R-69-C, as hereinafter modified and set forth, should be made permanent.

IT IS THEREFORE ORDERED:

(a) That 80-acre spacing of wells and establishment of 80-acre proration units in the Bagley-Siluro-Devonian Pool, Lea County, New Mexico, described as:
Township 11 South, Range 33 East, NMPM

All Section 34; NW/4 and S/2 Section 35

Township 12 South, Range 33 East, NMPM;

N/2 and SE/4 of Section 31; all of Section 2;

E/2 NW/4 and NE/2 NE/4 of Section 11. It be, and the same is hereby authorized; such proration units consist of the E/2 and the W/2 respectively of each governmental survey quarter section therein and the well location therein shall be in the center (permissive tolerance 150 feet of the northwest and southeast quarter sections thereof).

PROVIDED, HOWEVER, that the following described unit do, and shall constitute permissible exceptions to the spacing and proration unit plan aforesaid:

Township 11 South, Range 33 East, NMPM

N/2 NW/4 of Section 35; S/2 NW/4 of Section 35

Township 12 South, Range 33 East, NMPM

N/2 NW/4 of Section 3; S/2 NW/4 of Section 3;

N/2 NE/4 of Section 2; SW/4 NE/4 and NW/4 SE/4 of

Section 2; SE/4 NE/4 and NE/4 SE/4 of Section 2;

S/2 SE/4 of Section 2;

N/2 NE/4 of Section 11

(b) That no well shall be drilled or produced in said pool except it be in conformity with the spacing and proration unit pattern hereinabove authorized, unless, after notice and hearing a special order of authorization is had and obtained from the Commission.

(c) That should any well be drilled off-pattern, under authority of any special order, then, and in that event, the same shall be entitled only to an allowable equal to that of a standard 80-acre proration unit with "deep pool adaptation" as provided by Commission rules. Nothing contained in this order shall be construed as requiring by the Commission the drilling of any wells at any location.

IT IS FURTHER ORDERED: That the Bagley-Siluro-Devonian Pool and the 80-acre proration units therein, hereby established and confirmed, be and the same hereby are granted an allowable equal to the top allowable for wells in the Bagley-Siluro-Devonian depth range, calculated by the use of the 80-acre proportional factor, as provided for in Rule 305 of the Rules and Regulations of this Commission, together with the acreage factor, if any there be.

PROVIDED HOWEVER, that no well in such pool will be assigned an allowable greater than the amount of oil produced on official gas-oil ratio tests during a 24-hour period in compliance with Rule 301 of the said Rules and Regulations.

IT IS FURTHER ORDERED:

(a) That each operator in said pool shall take or cause to be taken bottom-hole pressure tests of each producing well operated by him in said pool during the months of July of each calendar year; the results of such tests shall be tabulated, and reflect the pressure of each well; the same shall be filed on or before the 5th day of August, of each calendar year, with the Commission at Santa Fe, New Mexico (with copy to Hobbs office); it is further provided, that such bottom-hole pressure tests shall be taken in conformity with the requirements of Rule 302 of the Commission's Rules and Regulations as revised.

This order supersedes all previous temporary orders and interlocutory orders heretofore issued in this case.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

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:

At this time the records in the application indicate the following:

CASE NO. 10405
ORDER NO. R-9624

APPLICATION OF AMERADA HESS
CORPORATION 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 31, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 15th day of January, 1992, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

IT IS THEREFORE ORDERED 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, Amerada Hess Corporation, seeks an exception to the provisions of Division Order No. R-69-D, which, in part, promulgated "Special Operating Procedures" for the Bagley Siluro-Devonian Pool. At this time the applicant seeks authorization for an unorthodox oil well location to be drilled 1830 feet from the North line and 1980 feet from the East line (Unit G) of Section 2, Township 12 South, Range 33 East, NMPM, Lea County, New Mexico. Said well is to be dedicated to a previously approved 80-acre non-standard oil spacing and proration unit comprising the SW/4 NE/4 and NW/4, SE/4 of said Section 2 (Order No. R-69-D).
- (3) The applicant originally filed this application for administrative review pursuant to Division General Rule 104.F(3) and (4).

(4) After thorough review of said request, and of the regulations applicable in this matter, including Division Order Nos. R-69, R-69-A, R-69-B, R-69-C, R-69-D and Memorandum 4-86, it was determined that administrative approval could not be granted.

(5) At this time the records in the application indicate the following:

- a. the pool has essentially been developed on 40-acre spacing within this general area;
- b. the regulations affecting this pool were issued in 1951 and over the years the situation may have changed whereby such stringent procedures for various reasons may no longer be warranted; and,
- c. the geological and engineering data submitted appears to indicate that the well would recover additional oil which might not otherwise be produced, exhibits good conservation measures, and would prevent waste.

(6) Other than Amerada Hess Corporation there is only one other off-setting operator and proper notice pursuant to General Rule 1207.A(5) was made.

(7) No interested party appeared at the hearing in opposition to this application.

IT IS THEREFORE ORDERED THAT:

(1) The application of Amerada Hess Corporation for an unorthodox oil well location in the Bagley Siluro-Devonian Pool to be drilled 1830 feet from the North line and 1980 feet from the East line (Unit G) of Section 2, Township 12 South, Range 33 East, NMPM, Lea County, New Mexico, is hereby approved.

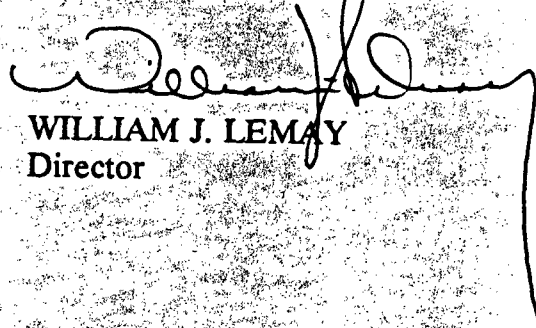
(2) Said well is to be dedicated to a previously approved 80-acre non-standard oil spacing and proration unit comprising the SW/4 NE/4 and NW/4 SE/4 of said Section 2 (Division Order No. R-69-D).

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Case No. 10405
Order No. R-9624
Page No. 3

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name and title.

WILLIAM J. LEMAY
Director

SEAL

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4877
Order No. R-4460

APPLICATION OF TEXAS PACIFIC OIL
COMPANY, INC. FOR TWO NON-STANDARD
OIL PRORATION UNITS AND A NON-
STANDARD LOCATION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of January, 1973, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texas Pacific Oil Company, Inc., seeks approval of an 80-acre non-standard proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 2 to be dedicated to its State "C" Well No. 1 located in Unit B, and a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 2 to be dedicated to its State "C" Well No. 2 located in Unit F, and an 80-acre standard proration unit comprising the E/2 NE/4 of Section 2 to be dedicated to its State "D" Well No. 1 at an unorthodox location in Unit A, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

(3) That approval of the subject application will prevent the drilling of unnecessary wells, will afford the applicant the opportunity to produce its just and equitable share of the oil in the Siluro-Devonian formation, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texas Pacific Oil Company, Inc., is hereby authorized approval of an 80-acre non-standard proration

-2-

Case No. 4877
Order No. R-4460

unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 2 to be dedicated to its State "C" Well No. 1 located in Unit B, and a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 2 to be dedicated to its State "C" Well No. 2 located in Unit F, and an 80-acre standard proration unit comprising the E/2 NE/4 of Section 2 to be dedicated to its State "D" Well No. 1 at an unorthodox location in Unit A, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.

(2) That the allowable for the above-described 40-acre non-standard oil proration unit shall bear the same ratio to a standard allowable as 40 bears to 80.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, JR., Member & Secretary

S E A L

dr/



STATE OF NEW MEXICO CONSERVATION DIVISION
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

6-30-92

BRUCE KING
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP ☒ _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Ortiz Energy Co. State C A/c-1 #1-B 2-12-33
Operator _____ Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed

THE APPLICATION OF ORYX ENERGY COMPANY
FOR A NON-STANDARD OIL PRORATION UNIT,
LEA COUNTY, NEW MEXICO.

ORDER NSP-

1651

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

The applicant in this matter, ORYX Energy Company, by letter dated June 26, 1992, seeks an exception to the provisions of Division Order No. R-69-D, which in part, promulgated "Special Operating Procedures" for the Bagley Siluro-Devonian Pool. At this time the applicant seeks approval of a non-standard 39.89-acre oil spacing and proration unit comprising Lot 2 (NW/4 NE/4 equivalent, Unit B) of Section 2, Township 12 South, Range 33 East, NMPM, Bagley Siluro-Devonian Pool, Lea County, New Mexico, said unit to be dedicated to the existing State "C" AC-1 Com Well No. 1 located at a standard oil well location 660 feet from the North line and 1980 feet from the East line of said Section 2.

The Division Director Finds That:

(1) The above-described well in this matter was the subject of Division Order No. R-4460, issued in Case 4877 and dated January 5, 1973, which authorized a Bagley Siluro-Devonian non-standard 80-acre, more or less, oil proration unit comprising the NW/4 NE/4 (Unit B) and NE/4 NW/4 (Unit C) equivalents of said Section 2.

(2) Said Order R-4460 also approved a non-standard 40-acre oil spacing and proration unit in the Bagley Siluro-Devonian Pool comprising the SE/4 NW/4 (Unit F) of said Section 2 in which the ORYX Energy Company State "C" AC-1 Well No. 2 was dedicated.

(3) In January 1984 the predecessor to ORYX Energy Company, Sun Exploration and Production Company, recompleted its State "C" AC-1 Well No. 5, located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 2, from the Bagley Pennsylvanian Pool to the Siluro-Devonian zone. Technically this No. 5 well shared in the allowable assigned the established 79.78-acre unit dedicated to the State "C" AC-1 Well No. 1 in Unit B, even though the C-102 for the No.5 well showed the proration unit to be the E/2 NW/4 equivalent. The E/2 NW/4 rededication to the No. 5 and 1 wells has apparently never been recognized since ORYX is now filing this application to correct this condition.

(4) It appears the intent of this application is to change the existing non-standard 79.78-acre dedication for the State "C" AC-1 Well Nos. 5 and 1 in Units C and B, respectively, comprising

Lots 2 and 3 (NW/4 NE/4 and NE/4 NW/4 equivalents) and the current 40-acre non-standard oil proration unit for the State "C" AC-1 Well No. 2 comprising the SE/4 NW/4 (Unit F) to the following:

- form a standard 79.89-acre oil spacing and proration unit comprising Lot 3 (Unit C) and the SE/4 NW/4 (Unit F) to be rededicate to the aforementioned State "C" AC-1 Well Nos. 2 and 5; and,
- form a non-standard 39.89-acre oil spacing and proration unit with Lot 2 (Unit B) and rededicate to the State "C" AC-1 Well No. 1.

(5) The applicant originally filed this application for administrative review pursuant to Division General Rule 104.D(2).

(6) After thorough evaluation of said request and of the regulations applicable in this matter, including Division Order Nos. R-69, R-69-A, R-69-B, R-69-C, R-69-D, R-9624, and Memorandum 4-86, it was determined that administrative approval could be granted.

(7) New Mexico Oil Conservation Division records indicate the following:

- a. special pool rules for the Bagley Siluro-Devonian Pool, adopted by said Division Order No. R-69, as amended, includes 80-acre spacing;
- b. the pool has essentially been developed on 40-acre spacing;
- c. the regulations affecting this pool were issued in 1951 and over the years the Division has relaxed many of the more stringent procedures for variances included in such older orders; and,
- d. rededication of this acreage would not adversely effect correlative rights.

(8) Other than ORYX Energy Company there is only one other off-setting operator and notice pursuant to Rule 104.D(2)(a)(iv) was made.

(9) No objection has been filed in this matter within the prescribed 30 day waiting period.

It Is Therefore Ordered That:

(1) Division Order No. R-4460, issued in Case 4877 and dated January 5, 1973, which authorized the Bagley Siluro-Devonian non-standard 79.78-acre oil proration unit comprising Lots 2 and 3, the NW/4 NE/4 (Unit B) and NE/4 NW/4 (Unit C) equivalents, of Section 2, Township 12 South, Range 33 East, NMPM, Lea County, New Mexico, is hereby placed in abeyance until further notice.

(2) The application of ORYX Energy Company for the creation of a non-standard 39.89-acre oil spacing and proration unit

comprising Lot 2 (Unit B) of said Section 2 to be rededicate to its State "C" AC-1 Well No. 1 located at a standard oil well location 660 feet from the North line and 1980 feet from the East line of said Section 2, is hereby approved.

(3) The rededication and simultaneous dedication of Bagley Siluro-Devonian Pool production from the 79.89 acres comprising Lot 3 (Unit C) and the SE/4 NW/4 (Unit F) of said Section 2 to the State "C" AC-1 Well Nos. 2 and 5, located in Units F and C, respectively, is also recognized by the Division at this time.

(4) Jurisdiction of the cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, this _____ day of July, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director