

**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. 12328  
ORDER NO. R-\_\_\_\_\_**

OIL CONSERVATION DIV.  
00 JAN 21 PM 4:04

**APPLICATION OF JOHN L. COX  
FOR AN UNORTHODOX OIL  
WELL LOCATION, LEA COUNTY,  
NEW MEXICO.**

**JOHN L. COX'S  
PROPOSED ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on January 20, 2000, at Santa Fe, New Mexico, before Examiner Mark Ashley.

NOW, on this \_\_\_\_ day of January, 2000 the Division Director, having considered the testimony, the record, and the recommendation 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, John L. Cox ("Cox"), seeks approval to drill its State "14-A" Well No. 1 at an unorthodox oil well location 1330 feet from the North line and 2530 feet from the East line (Unit G) of Section 14, Township 12 South, Range 33 East, NMPM, Lea County, New Mexico, to test the Pennsylvanian formation in the Undesignated Bagley-Pennsylvanian Pool. The SW/4 NE/4 of Section 14 is to be dedicated to the subject well forming a standard 40-acre oil spacing and proration unit.

(3) The Bagley -Pennsylvanian Pool is governed by Rule 104.B (1) of the Division's General Rules and Regulations which provides for 40-acre oil spacing and proration units with wells to be located no closer than 330 feet to any boundary of such units.

(4) The subject well is located 10 feet from the north boundary and 110 feet from the East boundary of the proposed spacing proration unit, and as such, encroaches on the offsetting 40-acre spacing and proration units situated north, northeast and east in the N/2 of Section 14.

(5) The proposed well location is on a 580-acre State of New Mexico Lease which encompasses all of Section 14 except for the W/2 NW/4. All working interests, royalty interests and overriding interests are common throughout this lease and there are no owners who will be adversely affected by the proposed unorthodox well location. Accordingly, no correlative rights will be impaired by a well at the proposed unorthodox oil well location.

(6) In June 1997, Cox drilled its J. L. Cox "14" Well No. 1 in the SE/4 of Section 14 to test the Silurian formation. The well came in structurally low and was a dry hole.

(7) Since 1997, the entire area has been remapped utilizing 3D seismic information into which was integrated data from the Cox dry hole. The result of this mapping reveals a carbonate buildup at the proposed location which is correlative to the lower producing intervals in the Bagley-Pennsylvanian Pool to the north. The location was selected because at this point is the best combination of seismic attributes as shown on the seismic structure, isopach, isochrone and amplitude maps presented at the hearing by Cox.

(8) There is no other location in the SW/4 NE/4 with comparable seismic attributes and to move the well to another location in Section 14 would increase the risk of missing the reservoir and increase the chances of drilling another unsuccessful well.

(9) The unorthodox oil well location proposed by John L. Cox in the SW/4 NE/4 of Section 14 is necessary to drain the reserves under this acreage.

(10) The proposed unorthodox oil well location will provide the interest owners in the SW/4 NW/4 of Section 14 the opportunity to produce their just and fair share of

CASE NO. 12328

Order No. R-\_\_\_\_\_

Page 3

the reserves in this pool thereby protecting correlative rights.

(11) The application of John L. Cox for approval of an unorthodox well location for its State "14-A" Well No. 1 will prevent waste, is in the best interest of conservation, and should be **granted**.

**IT IS THEREFORE ORDERED THAT:**

(1) The application of John L. Cox for an unorthodox oil well location for its proposed State "14-A" Well No. 1 at a point 1330 feet from the North line and 2530 feet from the East line of Section 14 Township 12 South, Range 33 East, NMPM, Lea County, New Mexico is hereby **granted**.

(2) Jurisdiction is hereby 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

LORI WROTENBERY  
Director

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