

MW PETROLEUM CORP.

INDIAN BASIN FIELD
EDDY CO., NEW MEXICO

ISOPACH
NET CISCO-CANYON DOLOMITE

C.I. = 50'

2000 0 2000 4000

JOHN POLASEK 11/91

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
~~NW~~ APACHE EXHIBIT NO. 3
CASE NO. 10423

HOC Fed Gas Com

#1

KB 4054

7700
7702'
(-3648)

12/65 Acidize w/ 25,000 gals
and frac w/ 15,000 gal w/
10,500 #'s sand & beads

1/66 IP 1.7 MMCFD 22/64" ch
600# FTP

2/67 Acid frac w/ 20,000 gal
15% and 13,000 gal 28%

0%

φ Dolomite

7800

0%

φ Limestone

BEFORE EXAMINER CATAWACH
OIL CONSERVATION DIVISION
CATAWACH EXHIBIT NO. 4
CASE NO. 10423

100

70

46

ВЕСЕЛ ИМБЕР 331

TIME



ИМПЕРИЯ ПРОДУКЦИОН ОИЛ БИМЕ - TIME 1012



LOCATION: 1012
 VOL. OF OIL: 100
 VOL. OF GAS: 100
 CORR. FACTOR: 100
 MEASUREMENT: 100
 LOCATION: 1012
 VOL. OF OIL: 100
 VOL. OF GAS: 100
 CORR. FACTOR: 100
 MEASUREMENT: 100

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

MW/APACHE EXHIBIT NO. 5

CASE NO. 10423

ИМПЕРИЯ ПРОДУКЦИОН ОИЛ БИМЕ - TIME 1012

MW PETROLEUM
ACREAGE FACTOR CALCULATION
PROPOSED HOC GAS COM #2

MW Petroleum is requesting that the NMOCD approve an acreage factor of 0.38 for gas allowable purposes. This number is calculated by the average of three different techniques as follows:

- (1) Productive acreage - Based on a detailed geologic evaluation, Section 13 is estimated to have 308 productive acres:

$$308/640 = 0.48 \text{ (48\% of Section)}$$

- (2) Two Circle Method - The % difference in acreage lying outside the 640-acre unit for a 308-acre circle with its center at the proposed location and the same size circle with the center at the nearest regular location:

$$(198/308) - (33/308) = 0.536$$
$$1 - 0.536 = 0.464 \text{ or 46.4\% of the proposed drainage pattern is within the correlative rights of the gas unit.}$$

- (3) Distance Ratio Method - The % distance from the lease line for the proposed unorthodox location compared to a regular location:

$$330'/1650' = 0.20$$

The average of the three factors is 0.38.

NMOCD Hearing of December 5, 1991

DEPARTMENT OF ENERGY	SECTION 13
OFFICE OF OIL AND GAS	
MW/PACHE	6
CASE NO.	10423

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF MW PETROLEUM CORPORATION/
APACHE CORPORATION FOR AN
UNORTHODOX GAS WELL LOCATION,
EDDY COUNTY, NEW MEXICO.

CASE NO. 10423

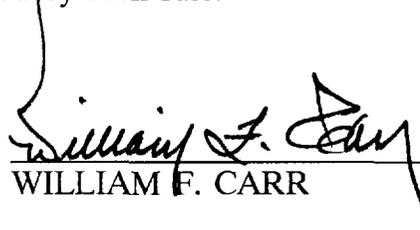
AFFIDAVIT

STATE OF NEW MEXICO)
)ss.
COUNTY OF SANTA FE)

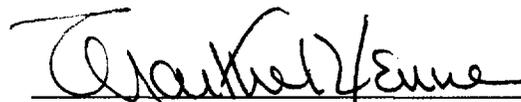
BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
MW/APACHE	EXHIBIT NO. <u>7</u>
CASE NO. <u>10423</u>	representative of MW Petroleum

William F. Carr, attorney-in-fact and authorized representative of MW Petroleum

Corporation/Apache Corporation, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.


WILLIAM F. CARR

SUBSCRIBED AND SWORN to before me this 4th day of December, 1991.


Notary Public

My Commission Expires:

August 19, 1995

EXHIBIT A

ORYX Energy Company
Post Office Box 26300
Oklahoma City, Oklahoma 73126-0300
Attn: Gregg Jacobson

Marathon Oil Company
125 W. Missouri
Midland, TX 79701

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

ANNIE-LAURIE COOGAN
PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 12, 1991

ORYX Energy Company
Post Office Box 26300
Oklahoma City, Oklahoma 73126-0300
Attn: Gregg Jacobson

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Application of MW Petroleum Corporation/Apache Corporation for an
Unorthodox Well Location, Eddy County, New Mexico

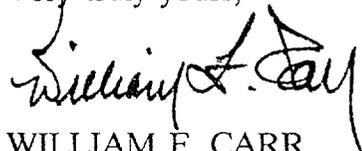
Dear Mr. Jacobson:

This letter is to advise you that MW Petroleum Corporation/Apache Corporation has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox gas well location in the Pennsylvanian formation 330 feet from the North and West lines of Section 13, Township 22 South, Range 23 East, N.M.P.M., Eddy County, New Mexico.

This application has been set for hearing before an Examiner of the Oil Conservation Division on December 5, 1991. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR MW PETROLEUM CORPORATION/APACHE CORPORATION
WFC:mlh

cc: Ceci Searls Leonard

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for rates and check boxes for additional service(s) requested.
 1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to:

ORYX Energy Company
 Post Office Box 26300
 Oklahoma City, Oklahoma 73126
 Attn: Gregg Jacobson

4. Article Number
 P 106 677 339

Type of Service:
 Registered
 Certified
 Express Mail
 Insured
 COD
 Return Receipt for Merchandise

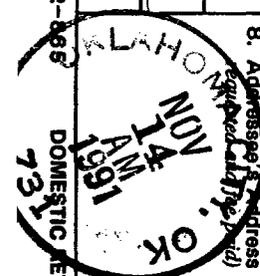
Always obtain signature of addressee or agent and DATE DELIVERED.

8. Address & Address (ONLY if required by field)

5. Signature - Address
 X

6. Signature - Agent
 X

7. Date of Delivery



PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-085 DOMESTIC RETURN RECEIPT

P-106 677 339

Sent to Attn: Gregg Jacobson ORYX Energy Company	
Street and No. Post Office Box 26300	
P.O. State and Zip Code Oklahoma City, OK	73126
Postage	5
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt sent to whom and Date of Delivery	
Return Receipt sent to whom, Date and Address of Delivery	
TOTAL Postage and Fees	5
Postmark or Date November 12, 1991	

PS Form 3800, June 1985

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

ANNIE-LAURIE COOGAN
PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 12, 1991

Marathon Oil Company
125 W. Missouri
Midland, Texas 79701

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Re: Application of MW Petroleum Corporation/Apache Corporation for an
Unorthodox Well Location, Eddy County, New Mexico

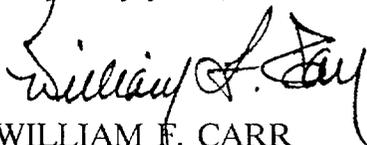
Dear Mr. Jacobson:

This letter is to advise you that MW Petroleum Corporation/Apache Corporation has filed an application with the New Mexico Oil Conservation Division seeking approval of an unorthodox gas well location in the Pennsylvanian formation 330 feet from the North and West lines of Section 13, Township 22 South, Range 23 East, N.M.P.M., Eddy County, New Mexico.

This application has been set for hearing before an Examiner of the Oil Conservation Division on December 5, 1991. You are not required to attend this hearing, but as an owner of an interest that may be affected by the unorthodox well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR MW PETROLEUM CORPORATION/APACHE CORPORATION
WFC:mlh

cc: Ceci Searls Leonard

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. Show to whom delivered, date, and addressee's address. 2. Restricted Delivery (Extra charge)

3. Article Addressed to: Marathon Oil Company 125 W. Missouri Midland, TX 79701	4. Article Number P 106 677 340
5. Signature - Address X	Type of Service: <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> COD <input type="checkbox"/> Return Receipt for Merchandise
6. Signature X <i>Agent Betty Edens</i>	Always obtain signature of addressee or agent and WRITE DELIVERED. 8. Addressee's Address (ONLY if requested and fee paid) <i>Sm</i>
7. Date of Delivery <i>11-14-91</i>	

PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-885 DOMESTIC RETURN RECEIPT

P-106 677 340

Sent to Marathon Oil Company	
Street and No. 125 W. Missouri	
P.O., State and Zip Midland, TX 79701	
Postage	\$
Certified Fee	
Special Delivery	
Restricted Delivery	
Return Receipt (to whom and Date)	
Return Receipt (with Date, and Address)	
TOTAL Postage and Fees	\$
Postmark or Date November 12, 1991	

PS Form 3800, June 1985

MW PETROLEUM CORPORATION

November 24, 1991

Chevron USA, Inc.
P. O. Box 1150
Midland, Texas 79702
Attn: Al Bohling

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>MW/AAOUE</u>	EXHIBIT NO. <u>8</u>
CASE NO.	<u>10423</u>

Request for Waiver of Objection
HOC Federal Gas Com #2
Indian Basin (Upper Penn) Gas Pool
Eddy County, New Mexico

MW Petroleum Corporation, operator, is requesting your waiver of objection to MW Petroleum's application to drill a gas well at an unorthodox location in Section 13 of Township 22-S, Range 23-E, Eddy County, New Mexico.

This application has been set for hearing on December 5, 1991, at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico.

The proposed well will be a replacement gas producer for the HOC Federal Gas Com #1, located in Unit F. This well is no longer capable of producing in commercial quantities due to the current low reservoir pressure and the reservoir thickness at this location. The proposed replacement well will be located in Unit D to the northwest of the original well at a location 330' FNL and 330' FWL of Section 13.

MW Petroleum is also requesting that the NMOCD approve an acreage factor of 0.38 for gas allowable purposes.

Numerous unorthodox location permit applications have been approved by the NMOCD in Indian Basin Field over the years. MW Petroleum believes that the drilling of this well is necessary to protect the correlative rights of it and its royalty owners. The acreage factor of 0.38 will protect the correlative rights of the offsetting interests.

1500 CITY WEST BLVD.

SUITE 400

HOUSTON, TX 77042

713 - 953-5300

If you have no objections to MW Petroleum's drilling and producing this unorthodox location, please sign and return one copy of this letter in the enclosed envelope. Should you have any questions regarding this matter, please call Ceci Leonard at (713) 953-5306.

Sincerely yours,

Ceci Searls Leonard

Ceci Searls Leonard
MW Petroleum Corporation

Chevron U.S.A. Inc.
Name of Company

Ed Godwin 12/3/91
Representative's Signature and Date

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. 10423

APPLICATION OF MW PETROLEUM
CORPORATION/APACHE CORPORATION
FOR AN UNORTHODOX GAS WELL
LOCATION, EDDY COUNTY, NEW MEXICO

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

~~MW/APACHE~~ EXHIBIT NO. 9

STIPULATED PENALTY

CASE NO. 10423

Comes now MW Petroleum Corporation/Apache Corporation, by and through its attorney, William F. Carr of Campbell, Carr, Berge & Sheridan, and Marathon Oil Company, by and through its attorney, W. Thomas Kellahin of Kellahin Kellahin & Aubrey and stipulate as follows:

(1) That MW Petroleum Corporation/Apache Corporation is the applicant before the New Mexico Oil Conservation Division in the referenced case and seeks approval of an unorthodox gas well location in the Indian Basin-Upper Pennsylvanian Gas Pool which is 330 feet from the North and West lines of Section 13, T22S, R23E, NMPM, Eddy County, New Mexico;

(2) That Marathon Oil Company is the operator of a producing gas well in the Indian Basin-Upper Pennsylvanian Gas Pool which is located at a standard gas well location and dedicated to a spacing unit consisting of 640 acres being all of Section 14, T22S, R23E, NMPM, Eddy County, New Mexico;

(3) That the MW Petroleum Corporation/Apache Corporation proposed unorthodox location encroaches towards the Marathon's spacing unit;

(4) In order to protect the correlative rights of Marathon Oil Company and the interest owners in Section 14 and at the same time to prevent waste by providing for the drilling of the MW Petroleum Corporation/Apache Corporation's well as requested, the parties stipulate and agree that MW Petroleum Corporation/Apache Corporation shall request from the Oil Conservation Division a penalty so that the producing allowable for

62% WK

the penalized well shall be 38% of a full unpenalized allowable for this pool (66% PENALTY) which is calculated by averaging two factors as follows:

(a) Productive acreage Method
in Section 13:
358 acres of 640 = 55.9% of allowable

(b) Ratio of Distance:
330/1650 = 20% of allowable

(5) That MW Petroleum Corporation\Apache Corporation agrees that the subject well shall have a bottom hole location which is no closer than 330 feet to the north and west boundaries of Section 13;

(6) That Marathon Oil Company shall withdraw any protest in this case provided that the Division order entered in this case shall not have an allowable greater than the stipulated 38% allowable;

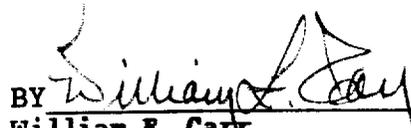
(7) This stipulation shall be made a part of the record in the Examiner's hearing of this matter.

This stipulation is executed this 4th day of December, 1991 by the respective attorneys of record for the parties indicated on behalf of said parties.

FOR MARATHON OIL COMPANY

BY 
W. Thomas Kellahin
Kellahin, Kellahin & Aubrey
P. O. Box 2265
Santa Fe, New Mexico 87504

FOR MW PETROLEUM CORPORATION/
APACHE CORPORATION

BY 
William F. Carr
Campbell, Carr, Berg & Sheridan
P. O. Box 2208
Santa Fe, New Mexico 87504