

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

CASE NO. 2355 (Reopened)
Order No. R-2051-D-1

IN THE MATTER OF CASE 2355
BEING REOPENED ON THE MOTION
OF THE OIL CONSERVATION DIVISION
AND PURSUANT TO THE PROVISIONS OF
ORDER NO. R-2051, AS AMENDED,
WHICH ORDER PROMULGATED TEMPORARY
SPECIAL RULES AND REGULATIONS FOR THE
BLUITT-WOLFCAMP GAS POOL IN ROOSEVELT
COUNTY, NEW MEXICO, INCLUDING A
PROVISION FOR 320-ACRE SPACING UNITS.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-2051-D,
dated July 29, 1988, does not clearly and explicitly state
the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Finding Paragraph No. (13) on page 2 of Division
Order No. R-2051-D is hereby amended to read in its entirety
as follows:

"(13) In order to prevent the economic loss
caused by drilling an excessive number of wells, to
avoid the augmentation of risk arising from the drill-
ing of an excessive number of wells, and to otherwise
prevent waste and protect correlative rights the
Temporary Special Rules and Regulations for the Bluit-
Wolfcamp Gas Pool should be rescinded and said pool
should be governed by the Statewide Rules for gas pools
in the State, as they apply to 320-acre spacing as
promulgated by Order No. R-5113, made effective November
1, 1975."

(2) Decretory Paragraph No. (1) on pages 2 and 3 of
said Order No. R-2051-D is hereby corrected to read in its
entirety as follows:

"(1) Effective November 1, 1975, the Temporary
Special Rules and Regulations for the Bluitt-Wolfcamp
Gas Pool, promulgated by Order No. R-2051, as amended,
are hereby rescinded and said pool is placed under

-2-

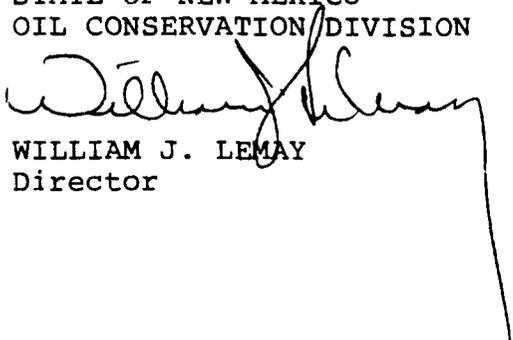
Case No. 2355 (Reopened)
Order No. R-2051-D-1

Statewide Rules for gas pools in the state, as they apply to 320-acre spacing as promulgated by Division Order No. R-5113, made effective November 1, 1975."

(3) The amendments set forth in this order be entered nunc pro tunc as of July 29, 1988.

DONE at Santa Fe, New Mexico, on this 23rd day of August, 1988.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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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. 10769
Order No. R-9935**

**APPLICATION OF H. L. BROWN FOR
AN UNORTHODOX OIL WELL LOCATION,
ROOSEVELT COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 15, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of August, 1993, 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, H. L. Brown, seeks authority to drill its Federal "27" Well No. 2 at an unorthodox oil well location 2590 feet from the South line and 330 feet from the West line (Unit L) of Section 27, Township 7 South, Range 37 East, NMPM, Roosevelt County, New Mexico, to test the North Bluitt Siluro-Devonian Pool.

(3) The applicant proposes to dedicate the N/2 SW/4 to the subject well forming a standard 80-acre oil spacing and proration unit for said pool.

(4) The subject well is located within one mile of the outer boundary of the North Bluitt Siluro-Devonian Pool and is therefore subject to the Special Rules and Regulations for said pool as promulgated by Division Order No. R-8586 which require 80-acre oil spacing and proration units with wells to be located within 150 feet of the center of a governmental quarter-quarter section or lot.

(5) In support of its application, the applicant presented geologic evidence and testimony based upon well control and geophysical data.

(6) Applicant's geologic evidence indicates that the subject reservoir is bounded on the north and south by faults. The fault located in the southern portion of the reservoir traverses the NW/4 SW/4 of Section 27 just north of a standard well location within said quarter-quarter section.

(7) The geologic evidence further indicates that a well at the proposed unorthodox location should penetrate the subject reservoir at a location safely north of the fault and at a structurally higher position above the oil-water contact in the reservoir than would be encountered by drilling at a standard well location thereon.

(8) Applicant testified that a well at the proposed location should ultimately recover approximately 150-160 MBO, and due to its up-structure location, should recover a significant amount of oil which will not otherwise be recovered by existing wells in the reservoir.

(9) The affected offset acreage to the north, being the S/2 NW/4 of Section 27, is operated by the applicant and the interest ownership between said acreage and the proposed proration unit is identical.

(10) The affected offset acreage to the west, being the SE/4 NE/4 and the E/2 SE/4 of Section 28, is operated by the applicant. The only difference in ownership between said acreage and the proposed proration unit is the overriding royalty interest.

(11) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

(12) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

(13) Due to the well's close proximity to the outer boundary of the proposed proration unit, the applicant should be required to conduct an accurate wellbore survey from the surface to total depth to determine its actual position and course.

(14) Subsequent to conducting said wellbore survey, should it be determined that the well's producing interval is located in a proration unit other than the proposed proration unit, the operator should be required to meet any subsequent applicable Division requirements prior to producing the well.

(15) The applicant should submit copies of the directional survey to both the Santa Fe and Hobbs offices of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, H. L. Brown, is hereby authorized to drill its Federal "27" Well No. 2 at an unorthodox oil well location 2590 feet from the South line and 330 feet from the West line (Unit L) of Section 27, Township 7 South, Range 37 East, NMPM, North Bluit Siluro-Devonian Pool, Roosevelt County, New Mexico.

(2) The N/2 SW/4 of Section 27 shall be dedicated to the above-described well forming a standard 80-acre oil spacing and proration unit for said pool.

(3) Subsequent to completion of drilling operations, the applicant shall conduct an accurate wellbore survey from the surface to total depth to determine its actual position and course.

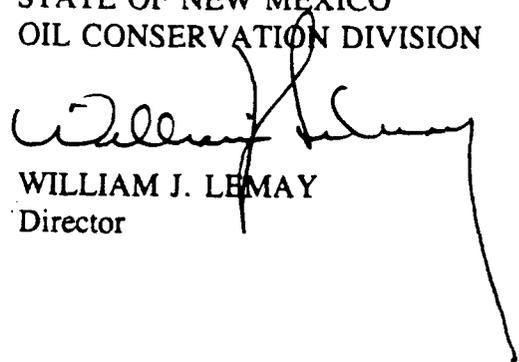
(4) Subsequent to conducting said wellbore survey, should it be determined that the well's producing interval is located in a proration unit other than the proposed proration unit, the operator shall be required to meet any subsequent applicable Division requirements prior to producing the well.

(5) The applicant shall submit copies of the directional survey to both the Santa Fe and Hobbs offices of the Division.

(6) 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


WILLIAM J. LEMAY
Director

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**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. 10769
Order No. R-9935**

**APPLICATION OF H. L. BROWN FOR
AN UNORTHODOX OIL WELL LOCATION,
ROOSEVELT COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 15, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of August, 1993, 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, H. L. Brown, seeks authority to drill its Federal "27" Well No. 2 at an unorthodox oil well location 2590 feet from the South line and 330 feet from the West line (Unit L) of Section 27, Township 7 South, Range 37 East, NMPM, Roosevelt County, New Mexico, to test the North Bluitt Siluro-Devonian Pool.

(3) The applicant proposes to dedicate the N/2 SW/4 to the subject well forming a standard 80-acre oil spacing and proration unit for said pool.

(4) The subject well is located within one mile of the outer boundary of the North Bluitt Siluro-Devonian Pool and is therefore subject to the Special Rules and Regulations for said pool as promulgated by Division Order No. R-8586 which require 80-acre oil spacing and proration units with wells to be located within 150 feet of the center of a governmental quarter-quarter section or lot.

(5) In support of its application, the applicant presented geologic evidence and testimony based upon well control and geophysical data.

(6) Applicant's geologic evidence indicates that the subject reservoir is bounded on the north and south by faults. The fault located in the southern portion of the reservoir traverses the NW/4 SW/4 of Section 27 just north of a standard well location within said quarter-quarter section.

(7) The geologic evidence further indicates that a well at the proposed unorthodox location should penetrate the subject reservoir at a location safely north of the fault and at a structurally higher position above the oil-water contact in the reservoir than would be encountered by drilling at a standard well location thereon.

(8) Applicant testified that a well at the proposed location should ultimately recover approximately 150-160 MBO, and due to its up-structure location, should recover a significant amount of oil which will not otherwise be recovered by existing wells in the reservoir.

(9) The affected offset acreage to the north, being the S/2 NW/4 of Section 27, is operated by the applicant and the interest ownership between said acreage and the proposed proration unit is identical.

(10) The affected offset acreage to the west, being the SE/4 NE/4 and the E/2 SE/4 of Section 28, is operated by the applicant. The only difference in ownership between said acreage and the proposed proration unit is the overriding royalty interest.

(11) No offset operator and/or interest owner appeared at the hearing in opposition to the application.

(12) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

(13) Due to the well's close proximity to the outer boundary of the proposed proration unit, the applicant should be required to conduct an accurate wellbore survey from the surface to total depth to determine its actual position and course.

(14) Subsequent to conducting said wellbore survey, should it be determined that the well's producing interval is located in a proration unit other than the proposed proration unit, the operator should be required to meet any subsequent applicable Division requirements prior to producing the well.

(15) The applicant should submit copies of the directional survey to both the Santa Fe and Hobbs offices of the Division.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, H. L. Brown, is hereby authorized to drill its Federal "27" Well No. 2 at an unorthodox oil well location 2590 feet from the South line and 330 feet from the West line (Unit L) of Section 27, Township 7 South, Range 37 East, NMPM, North Bluit Siluro-Devonian Pool, Roosevelt County, New Mexico.

(2) The N/2 SW/4 of Section 27 shall be dedicated to the above-described well forming a standard 80-acre oil spacing and proration unit for said pool.

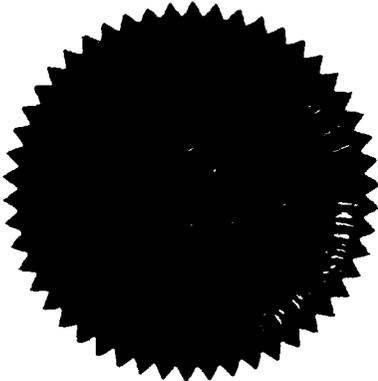
(3) Subsequent to completion of drilling operations, the applicant shall conduct an accurate wellbore survey from the surface to total depth to determine its actual position and course.

(4) Subsequent to conducting said wellbore survey, should it be determined that the well's producing interval is located in a proration unit other than the proposed proration unit, the operator shall be required to meet any subsequent applicable Division requirements prior to producing the well.

(5) The applicant shall submit copies of the directional survey to both the Santa Fe and Hobbs offices of the Division.

(6) 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


WILLIAM J. LEMAY
Director

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M.S.
2-7-94

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. 10900
ORDER NO. R-9935-A~~X~~

APPLICATION OF H.L. BROWN JR. TO AMEND DIVISION ORDER NO. R-9935
TO APPROVE AN UNORTHODOX GAS WELL LOCATION, ROOSEVELT COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15a.m. on February
3, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

Now, on this _____ day of February, 1994, 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, H.L. Brown Jr., seeks to amend Division
Order No. R-9935, which authorized the applicant to drill his
Federal No. 27-2 Well at an unorthodox oil well location in the
Devonian formation, to now authorize applicant to produce said
well from the Bluitt-Wolfcamp Gas Pool, the top of said Wolfcamp
formation in this well being an unorthodox gas well location of
2618 feet from the North line and 396 feet from the West

line (Unit E), Section 27, Township 7 South, Range 37 East, NMPM, Roosevelt County, New Mexico. The W/2 of said Section 27 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

(3) The applicant drilled his Federal No. 27-2 Well and tested the Devonian, but was unable to establish economic production in that formation.

(4) Said well was completed in the Bluit-Wolfcamp Gas Pool on January 5, 1994. Applicant's witness testified that the calculated open flow potential was 1,556 MCF gas per day with 22 bbls. of condensate. On a recent test the well produced 320 MCF gas with 2 bbls. of condensate.

(5) Applicant's Exhibit No. 3[^] shows that the down hole location of the well at the top of the Wolfcamp Formation is 2618 feet ~~ENL~~ and 396 feet ~~PWL~~ of said Section 27.

(6) A structure map and a cross-section submitted by the applicant show that the subject well is located in the North Pod of the Bluit-Wolfcamp Pool structure.

(7) Spacing Rules for ~~said pool~~ provide for 320 gas spacing and proration units and that wells shall be located not closer than 660 feet from the nearest side boundary nor closer than 1980 feet from the nearest end boundary nor closer than 330 feet to any ~~1/4 1/4~~ section boundary.

(8) Documents submitted by the Applicant at the hearing show that offset operators were properly notified. No offset operator or interest owner appeared at the hearing in opposition to the application.

(9) Approval of the subject application will afford the applicant the opportunity to produce ~~its~~^{his} just and equitable share of the hydrocarbons in the affected pool and will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, H.L. Brown Jr., is hereby authorized to produce his Federal No. 27-2 Well from the Bluit-Wolfcamp Gas Pool, the top of said Wolfcamp formation in this well being an unorthodox gas well location of 2618 feet from the North line and 396 feet from the West line (Unit E), Section 27, Township 7 South, Range 37 East, NMPM, Roosevelt County New Mexico.

(2) The W/2 of said Section 27 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit.

(3) Jurisdiction of this cause is retained for the entry of

such further orders as the ^sDivision may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
DIRECTOR