

PROPOSED ADVERTISEMENT

10978

CASE _____ Application of Marathon Oil Company to amend Division Order R-10082, Lea County, New Mexico. Applicant seeks to amend Division Order R-10082 to authorize the applicant at its discretion to utilize either the J. M. Denton Well No. 4 located in Unit K of Section 11 or, in the alternative, its previously approved J. M. Denton Well No. 5 located in Unit N of Section 11, as the initial well for the subject high angle/horizontal/ directional drilling project in the Denton-Devonian Pool, underlying a Project Area being the SW/4, N/2SE/4 and SE/4SE/4 of Section 11, T15S, R37E. Applicant proposes to re-enter and directionally drill either its J. M. Denton Well No. 4 located in Unit K of Section 11, or its previously approved J. M. Denton Well No. 5 located in Unit N of Section 11, T15S, R37E, NMPM, then kicking-off from vertical in a southeasterly direction for the J. M. Denton Well No. 4 or in a northeasterly direction for the J. M. Denton Well No 5, commencing to build angle at an appropriate rate to vertically and/or horizontally intersect the proposed producing area such that the producing interval will be located in either Unit K or Unit N of Section 11. Applicant further seeks the designation of a target window for said well such that the horizontal or producing portion of said wellbore shall be no closer than 330 feet to any outer boundary of the project area. Said project is located approximately 4.5 miles south-southeast from Prairieview, New Mexico.

**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: *10978*

APPLICATION OF MARATHON OIL COMPANY
TO AMEND DIVISION ORDER R-10082 WHICH
PROVIDES FOR A HIGH ANGLE/HORIZONTAL/
DIRECTIONAL DRILLING PILOT PROJECT,
LEA COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes Now MARATHON OIL COMPANY, by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division to amend Division Order R-10082 to authorize the applicant at its discretion to utilize either the J. M. Denton Well No. 4 located in Unit K of Section 11 or, in the alternative, its previously approved J. M. Denton Well No. 5 located in Unit N of Section 11, as the initial well for the subject high angle/horizontal/directional drilling project in the Denton-Devonian Pool, underlying a Project Area being the SW/4, N/2SE/4 and SE/4SE/4 of Section 11, T15S, R37E. Applicant proposes to re-enter and directionally drill either its J. M. Denton Well No. 4 located in Unit K of Section 11, or its previously approved J. M. Denton Well No. 5 located in Unit N of Section 11, T15S, R37E, NMPM, then kicking-off from vertical in a southeasterly direction for J. M. Denton Well No. 4 or in a northeasterly direction for J. M. Denton Well No. 5, commencing

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to build angle at an appropriate rate to vertically and/or horizontally intersect the proposed producing area such that the producing interval will be located in either Unit K or in Unit N of Section 11. Applicant further seeks the designation of a target window for said well such that the horizontal or producing portion of said wellbore shall be no closer than 330 feet to any outer boundary of the project area.

In support thereof states:

(1) Applicant is the operator of the J. M. Denton lease consisting of the SW/4, N/2SE/4 and SE/4SE/4 of Section 11, T15S, R37E, NMPM, Lea County, New Mexico as shown on Exhibit "A" attached.

(2) Division Order R-10082, entered March 15, 1994, granted Applicant's request to use the J. M. Denton Well No. 5 located in Unit N of said Section 11 as the initial project well to be re-entered and drilled as a high angle/horizontal/ directional well by kicking said well off at a depth of approximately 11,400 feet (+ or - 100 feet) at which point the applicant would have kicked the well off in a northeasterly direction.

(3) This project is an attempt to test the feasibility of improving ultimate recovery from the Denton-Devonian Pool by placing the producing lateral of a horizontal well at the highest structural point of greatest reservoir thickness within the project area between existing or formerly producing oil wells to produce remaining oil that may not have been recovered by any prior well.

(4) By drilling a high angle/horizontal/directional drilled wellbore, the applicant is attempting to increase the probability of encountering portions of the Denton-Devonian Pool which have not been adequately produced with existing vertical wells resulting in the recovery of a greater amounts of gas and oil, thereby preventing waste.

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(5) The point within the project area with the highest structure position and the greatest reservoir thickness is slightly south of and between J. M. Denton Well No. 3 and Well No. 4.

(6) Marathon's original selection of the J. M. Denton Well No. 5 as the initial project well was an attempt to use an inactive Devonian well as the horizontal well rather than any either the J. M. Denton Well No. 3 or Well No. 4 because both are producing oil wells.

(7) Applicant now requests authorization to utilize at its discretion either the previously approved J. M. Denton Well No. 5 (Unit N) or in the alternative the J. M. Denton Well No. 4 located 1980 feet from the South line and 2080 feet from the West line (Unit K) of said Section 11 as the initial well for the subject high angle/horizontal/directional drilling pilot project. See Exhibit "A"

(8) Marathon seeks the option to use the J. M. Denton Well No 4 because it is only capable of producing approximately 27 BOPD and is located closer to the top of the structure and the point of greater reservoir thickness than the previously approved J. M. Denton Well No. 5.

(9) In as much as the exact distance and direction of the lateral portion of the J. M. Denton Well No 4 is not known at this time, the Applicant seeks approval to be allowed to drill and produce said lateral portion anywhere within an area designated a target window as follows: commencing at a distance not closer than 330 feet from any of the side boundaries of the proposed spacing unit so that within the drilling window no portion of the wellbore open for production shall be closer than 330 feet to the outer boundary of the spacing unit. See Exhibit "B"

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(10) As required, notice is provided to those offsetting operators as listed on Exhibit "C."

(11) The granting of this Application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this matter be set for hearing on May 26, 1994 before a duly appointed Examiner of the Oil Conservation Division and, after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

ATTORNEYS FOR APPLICANT

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