



State of New Mexico  
**ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT**  
Santa Fe, New Mexico 87505



**BRUCE KING**  
GOVERNOR

**ANITA LOCKWOOD**  
CABINET SECRETARY

**MATTHEW BACA**  
DEPUTY SECRETARY

February 6, 1992

CAMBELL & BLACK  
Attorneys at Law  
P. O. Box 2208  
Santa Fe, New Mexico 87504

RE: CASE NO. 10412  
ORDER NO. R-9487-B

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

*Florene'*

Florene Davidson  
OC Staff Specialist

FD/sl

cc: BLM Carlsbad Office  
James Bruce  
Tom Kellahin

**VILLAGRA BUILDING - 408 Gallisteo**

Forestry and Resources Conservation Division  
P.O. Box 1948 87504-1948  
827-5830  
  
Park and Recreation Division  
P.O. Box 1147 87504-1147  
827-7465

**2040 South Pacheco**

Office of the Secretary  
827-5950  
  
Administrative Services  
827-5925  
  
Energy Conservation & Management  
827-5900  
  
Mining and Minerals  
827-5970

**LAND OFFICE BUILDING - 310 Old Santa Fe Trail**

Oil Conservation Division  
P.O. Box 2088 87504-2088  
827-5800

'91 NOV 4 AM 8 57

October 29, 1991

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Attn: Mr. Mike Stogner

*Case 10412*  
*ms*

Request for Hearing Date of November 21, 1991

MW Petroleum Corporation/Apache Corporation respectfully requests that its application to amend the acreage factor assigned to the Smith Federal Gas Com #2 by Division Order No. R-9487, be set for examiner hearing on the November 21, 1991, docket.

This application is to revise the previously approved acreage factor of 0.49. This acreage factor is used for allowable purposes. MW Petroleum/Apache is requesting the revision based on test information obtained during completion operations and on the revised well location provided by Order R-9487-A. This information influences the calculation of the acreage factor.

The original Division Order R-9487 dated May 8, 1991, provided for a bottom hole location 330' FWL and 1800' FNL of Section 12. The amended Order R-9487-A dated September 6, 1991, authorized a well location 480' FWL and 2049' FNL. The Smith Federal Gas Com #2 was drilled in October 1991 at the location provided by the amended Order R-9487-A and this location is less unorthodox than that provided for by the original order.

The Smith Federal Gas Com #2 was drilled as a replacement well for the Smith Federal Gas Com #1 which was believed to have watered out due to water encroachment. As a result of testing the Smith Federal Gas Com #2 it is now believed that the Smith Federal Gas Com #1 watered out due to a casing leak and not from water encroachment. The highest estimated gas/water contact is -3600' subsea.

MW Petroleum requests that the NMOCD amend the acreage factor to 0.775. This number is calculated by the average of two different techniques as follows:

(1) Productive Acreage Method

Amount of acreage updip of -3600' subsea in Section 12 T-22-S  
R-23-E:

= 500 acres or 78% of the section (500 acres over 640 acres)

(2) Two Circle Method

The % difference in acreage lying outside the 640-acre unit for a 500-acre circle with its center at the proposed location and the same size circle with its center at the nearest regular location:

$$= (212/500) - (95/500)$$

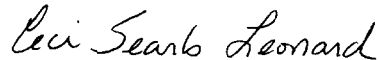
$$= 0.42 - 0.19$$

= 0.23 or 77% of the proposed drainage pattern is within the correlative rights of the gas unit.

The average of the two factors is 0.775.

Should any questions come up regarding this application, please call me at (713) 953-5306.

Sincerely yours,



Ceci Searls Leonard  
Senior Staff Reservoir Engineer

# MW PETROLEUM CORPORATION

October 29, 1991

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Attn: Mr. Mike Stogner

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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

HAND-DELIVERED

**RECEIVED**

NOV 18 1991

OIL CONSERVATION DIV.  
SANTA FE

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

10412

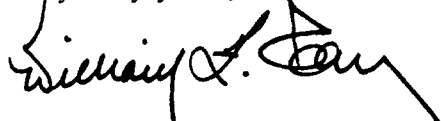
Re: In the Matter of the Application of MW Petroleum Corporation/Apache Corporation to Amend Division Order No. R-9487-A, Eddy County, New Mexico

Dear Mr. LeMay:

MW Petroleum Corporation/Apache Corporation respectfully requests that this matter which is currently set on the Division docket for the November 21, 1991 hearings be continued to the December 5, 1991 Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Jim Bruce, Esq.  
W. Thomas Kellahin, Esq.  
Ms. Ceci Leonard

"TELECOPIED AND MAILED"  
"HAND-DELIVERED"

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

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OCT 29 1991

OIL CONSERVATION DIV.  
SANTA FE

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
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TELEPHONE: (505) 988-4421  
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October 29, 1991

HAND-DELIVERED

Case 10412

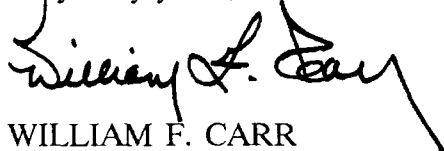
William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of MW Petroleum Corporation/Apache  
Corporation for Amendment of Division Order No. R-9487-A, Eddy County,  
New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of MW Petroleum Corporation/Apache  
Corporation in the above-referenced case. MW Petroleum Corporation/Apache  
Corporation respectfully requests that this matter be placed on the docket for the  
November 21, 1991 Examiner hearings.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc w/enclosures:

Ms. Ceci Leonard  
Senior Staff Reservoir Engineer  
MW Petroleum Corporation  
500 City West Blvd., Suite 400  
Houston, Texas 77042