



BRUCE KING  
GOVERNOR  
ANITA LOCKWOOD  
CABINET SECRETARY

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



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SANTA FE, NEW MEXICO 87504  
(505) 827-5800

August 9, 1993

KELLAHIN AND KELLAHIN  
Attorneys at Law  
P. O. Drawer 2265  
Santa Fe, New Mexico 87504

RE: CASE NO. 10769  
ORDER NO. R-9935

Dear Sir:

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

Sincerely,

  
Sally E. Leichte  
Administrative Secretary

cc: BLM - Roswell

**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 Bluit 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 Bluit 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.

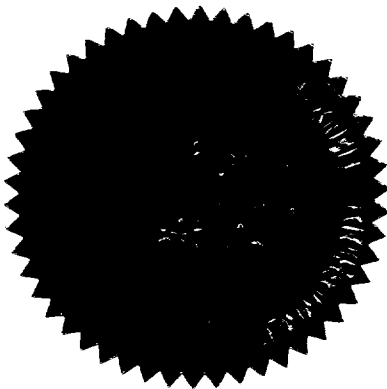
(3) Subsequent to completion of drilling operations, the applicant shall conduct an accurate wellbore survey from the surface to total depth to determine its actual position and course.

(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.

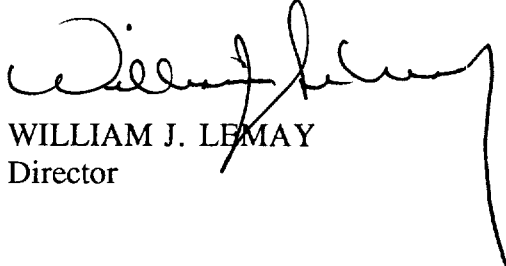
(5) The applicant shall submit copies of the directional survey to both the Santa Fe and Hobbs offices of the Division.

(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

S E A L

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:

*DWC 8/3/93*  
*RS 8/3/93*  
CASE NO. 10769  
Order No. R- 9935  
*CS 8/3/93*

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 \_\_\_\_\_ 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

S E A L

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4402  
Order No. R-4018

APPLICATION OF RESERVE OIL AND GAS  
COMPANY FOR APPROVAL OF THE COOPER-  
JAL UNIT AGREEMENT, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on August 19, 1970,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of August, 1970, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Reserve Oil and Gas Company, seeks  
approval of the Cooper-Jal Unit Agreement covering 2581 acres,  
more or less, of Federal and fee lands described as follows:

LEA COUNTY, NEW MEXICO

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 13: S/2  
Section 14: SE/4 SE/4  
Section 23: S/2 SE/4  
Section 24: All  
Section 25: N/2  
Section 26: E/2 NE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 18: All  
Section 19: W/2  
Section 30: NW/4

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4403  
Order No. R-4019

APPLICATION OF RESERVE OIL AND GAS  
COMPANY FOR A WATERFLOOD PROJECT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on August 19, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of August, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Reserve Oil and Gas Company, seeks authority to institute a waterflood project in the Cooper-Jal Unit Area, Langlie-Mattix Pool, by the injection of water into the Lower Seven Rivers and Queen formations through 26 injection wells in Township 24 South, Ranges 36 and 37 East, NMPM, Lea County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

CASE No. 4403

Order No. R-4019

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Reserve Oil and Gas Company, is hereby authorized to institute a waterflood project in the Cooper-Jal Unit Area, Langlie-Mattix Pool, by the injection of water into the Lower Seven Rivers and Queen formations through the following-described 26 wells in Lea County, New Mexico:

<u>Operator</u> <u>Lease</u>	<u>Well</u> <u>No.</u>	<u>L o c a t i o n</u>			
		<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Amerada Falby	3 (a dual completion)	K	19	24S	37E
Cities Service Hansen-Jack	1	K	18	24S	37E
Jack "A" Federal	1 (a dual completion)	M	18	24S	37E
Continental Oil Company Jack Federal 19	1 (a dual completion)	E	19	24S	37E
	8	C	19	24S	37E
Harlan Bates	1	E	18	24S	37E
Humble E. Hunter	4 (a dual completion)	C	24	24S	36E
Petroleum Corporation of Texas M. Dunn	2 (a dual completion)	I	13	24S	36E
	4	O	13	24S	36E
Harrison	6	F	25	24S	36E
	8	D	25	24S	36E

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CASE No. 4403  
Order No. R-4019

<u>Operator Lease</u>	<u>Well No.</u>	<u>L o c a t i o n</u>			
<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>		
Phillips	4	P	24	24S	36E
Thomas	6	J	24	24S	36E
	7	K	24	24S	36E
Reserve Oil and Gas Company					
Andrews	2	A	18	24S	37E
Hunter	3	M	13	24S	36E
	5	K	13	24S	36E
Gutman	1	G	18	24S	37E
	(a dual completion)				
Russell "A"	1	I	18	24S	37E
Van Zandt	5	B	25	24S	36E
	7	H	25	24S	36E
Atlantic Richfield Company					
Bates	1	C	18	24S	37E
Dunn SCP	5	H	24	24S	36E
	6	A	24	24S	36E
Texaco					
Fristoe "B"	5	D	30	24S	37E
Texas Pacific					
Bates	1	O	18	24S	37E

(2) That the subject waterflood project is hereby designated the Reserve Cooper Jal Langmat Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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CASE No. 4403

Order No. R-4019

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4404  
Order No. R-4020

APPLICATION OF RESERVE OIL AND GAS  
COMPANY FOR A WATERFLOOD PROJECT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on August 19, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of August, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Reserve Oil and Gas Company, seeks authority to institute a waterflood project in the Cooper-Jal Unit Area, Jalmat Pool, by the injection of water into the Tansill, Yates, and Upper and Middle Seven Rivers formations through 23 injection wells in Township 24 South, Ranges 36 and 37 East, NMPM, Lea County, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

CASE No. 4404

Order No. R-4020

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Reserve Oil and Gas Company, is hereby authorized to institute a waterflood project in the Cooper-Jal Unit Area, Jalmat Pool, by the injection of water into the Tansill, Yates, and Upper and Middle Seven Rivers formations through the following-described 23 wells in Lea County, New Mexico:

<u>Operator</u> <u>Lease</u>	<u>Well</u> <u>No.</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Amerada Falby	3 (a dual completion)	K	19	24S	37E
	4	M	19	24S	37E
Cities Service Jack "A" Federal	1 (a dual completion)	M	18	24S	37E
Continental Jack Federal 19	1 (a dual completion)	E	19	24S	37E
	4	C	19	24S	37E
Humble Hunter	3	E	24	24S	36E
	4 (a dual completion)	C	24	24S	36E
Thomas	1	O	23	24S	36E
	3	M	24	24S	36E
Petroleum Corporation of Texas M. Dunn	1	O	13	24S	36E
	2	I	13	24S	36E
Harrison	1	C	25	24S	36E
	7	E	25	24S	36E

<u>Operator Lease</u>	<u>Well No.</u>	<u>L o c a t i o n</u>			
		<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
Phillips	2	I	24	24S	36E
Thomas	1	O	24	24S	36E
	4	K	24	24S	36E
Reserve Oil and Gas Company Van Zandt	2	A	25	24S	36E
	4	G	25	24S	36E
Atlantic Richfield Company Dunn SCP	1	G	24	24S	36E
	3	A	24	24S	36E
Texaco Fristoe "B"	1	E	30	24S	37E
	3	C	30	24S	37E
Texas Pacific Myers "B" Federal	1	A	26	24S	36E

(2) That the subject waterflood project is hereby designated the Reserve Cooper Jal Jalmat Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

S E A L

A. L. PORTER, Jr., Member & Secretary

esr/