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CASE No.

5175

Application,
Transcripts,
Small Exhibits

ETC.



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2068 - SANTA FE
87501

L. R. TRUJELLO
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

March 6, 1974

**Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico**

Re: CASE NO. 5175
ORDER NO. R-4737

Applicant:
Flag-Redfern Oil Co.

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.

A. I. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC _____ x
Artesia OCC _____
Aztec OCC _____

Other _____

EXAMINER HEARING

Case No.
5175

A P P E A R A N C E S

Jason Kellahin, Esq.
KELLAHIN & FOX
500 Don Gasper
Santa Fe, New Mexico

CASE 5175

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I N D E X

BYRON GREAVES

Page

Direct Examination by Mr. Kellahin

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Cross Examination by Mr. Nutter

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E X H I B I T S

Marked

Admitted

Applicant's Exhibit No. 1

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GREAVES-DIRECT

CASE 5175

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MR. NUTTER: We will call now Case No. 5175.

MR. DERRYBERRY: Case 5175. Application of Flag-Redfern Oil Company for an unorthodox oil well location, Lea County, New Mexico.

MR. KELLAHIN: If the Chairman please, Jason Kellahin, Kellahin and Fox of Santa Fe, appearing on behalf of the Applicant. I have one witness I would like to have sworn.

(Witness sworn.)

BYRON GREAVES

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A Byron Greaves.

Q Would you spell that, please?

A B-Y-R-O-N G-R-E-A-V-E-S.

Q By whom are you employed and in what position, Mr. Greaves?

A I am employed by Flag-Redfern Oil Company as Petroleum Engineer.

Q Have you ever testified before the Oil

GREAVES-DIRECT

Conservation Commission or one of its Examiners?

A No, sir, I have not.

Q For the benefit of the Examiner would you briefly outline your expertise and experience as a Petroleum Engineer?

A I was graduated in August, 1958, from Texas Technological University with a Bachelor of Science in Petroleum Engineering. Upon graduation I joined Texaco, Incorporated, and was employed in engineering assignments throughout the Permian Basin until leaving them January 1, 1965. I then joined Great Plains Land Company as a Petroleum Engineer and was employed by them until October of 1969 at which time I assumed my current position.

Q In connection with your work for Flag-Redfern do you have anything to do with the area involved in this Application?

A Yes, sir. As Petroleum Engineer I'm responsible for recommending in conjunction with the geological staff the drilling and development of West Sawyer-San Andres Field.

MR. KELLAHIN: Are the Witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

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GREAVES-DIRECT

CASE 5175

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BY MR. KELLAHIN:

Q Mr. Greaves, what does the Applicant propose in this case?

A Flag-Redfern requests permission to drill in the Belbry 23 Well No. 4 to be located 1980 from the South line and 660 from the East line of Section 23, 9 South, 37 East and that the well be granted an assignment of 40 acres upon completion. The West Sawyer-San Andres Field pool rules provide for 80 acre development and provide that the initial well in each unit shall be drilled in the Northwest or Southeast of a Governmental quarter section. This would place the actual location in the Southeast Southeast of Section 23.

Q Now, is this the first well that will be drilled on the unit?

A Yes, sir.

Q So for that reason it would be an exception to the rule?

A That's correct.

Q Now referring to the plat which appears in the Applicant's Exhibit No. 1, would you discuss the information shown on that?

A Yes, sir, the proposed well is shown of

GREAVES-DIRECT

interest to your Section 24 is classified as the Sawyer San Andres Pool, Section 23, 26 and 27 and 22 are in the West Sawyer-San Andres Pool. These pools, as you see, will merger. The Sawyer-San Andres Pool provides for development on 40 acres for an oil well. The West Sawyer-San Andres Pool provides for 80 acre development.

Q With the election to drill on 40, is that correct?

A Yes, that is correct.

Q Now, turning to the structure map of the Exhibit, would you discuss that?

A Under the West Sawyer Field, the designated location would be as indicated 801 feet from the South line and from the East line. Our geological interpretation of this location is that the top of the Pie Zone as shown on this structure map would be a subsea eight minus eight fifty-eight. The lowest producing well in this immediate area of the San Andres Reservoir is the Green and Funk Well over in Section 24 which produced at a pie marker of subsea minus 847. The only dry hole in the area which will confirm the possibility of water is in Section 26 of the Southeast Southeast which is below Mack No. 1 Federal 26.

GREAVES-DIRECT

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Q I believe you mean the Southwest Southwest?

A Excuse me, yes, sir, Southwest Southwest.

This well was drilled in February of 1971, encountered the pie at minus 888, but set pipe and attempted completion and recovered water with a show of oil.

Q Is the structural provision your reason for asking for the unauthorized location in this case?

A That's correct.

Q What acreage do you propose to dedicate to the well?

A The North Northeast quarter of the Southeast quarter, Unit I of Section 23.

Q Only the 40 acres?

A Yes, sir, only the 40 acres.

Q Now, do you have any plans to drill in the standard location as indicated on your structure map?

A Yes, sir, pending development of placement of Belbry 23 No. 4, it is our plan to develop the area on 40 acres and we would continue with development avoiding the location in the Southeast Southeast until geological interpretation assured that we could make a commercial well.

Q In your opinion is all of the 40 acres you propose

GREAVES-DIRECT

CASE 5175
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to dedicate to the well productive from the Sawyer Pool?

A Yes, based on the off-set wells.

Q Now, turning to the summary of well information, do you have any comments on that, Mr. Greaves?

A I might comment on that with the cross section. The first cross section covers the well as indicated on the map and cross sections 1 through 7, and the history of these wells along with its structural position, starting with the left, on the left side of the cross section, the Oil Development Company of Texas, Santa Fe Railroad No. 14. This well is currently producing 73 percent water based on the latest production information as reported to the Commission. The next well on the cross section, Meadco John Cox, is USM No. 2, currently producing 76 percent water. The third well on the cross section is Meadco properties, Arco No. 1 which is in Northwest Northwest Section 26, 70 percent water. Flag-Redfern's Yates 69 Federal No. 1, which is structurally a little higher on this Section, is currently producing 17 percent water, and then we have completed the Allied No. 93 over in Section 24, which would be the east off-set to the proposed location, in December the well is producing 67 percent water. The cross section indicates that the designated

GREAVES-DIRECT

CASE 5175

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locations under the existing field rules would be 14 foot long to Allied 93 Well which is in Section 24. This well, as indicated by well tests, is 67 percent water.

Q You say that is the orthodox location or your proposed location?

A The orthodox location would be 14 feet long, yes, sir.

Q And do you consider that as making it a risky venture to drill at this time?

A That's correct.

Q Do you have any further comment on the cross section?

A No, sir, I can't think of anything.

Q Now, who is the owner of the acreage off-setting your proposed location, the operators?

A Section 24, Flag-Redfern is operating under a farm-out to Union Texas Petroleum, and the Allied 93, the Well has been approved by the Commission, and will be started before March 18th.

Q In Section 23, is Flag-Redfern the only operator?

A Yes, sir, that is correct.

Q And will the drilling at the location you propose have any adverse effect on any other operator?

A In my opinion, no.

GREAVES-DIRECT

CASE 5175

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Q Have you been able to establish the oil-water contact in this pool?

A No, sir, we have not.

Q How would you refer to this, as a transitional water zone?

A Yes, sir. The cross section would indicate that wells encountering the high zone below a datum of 840 would produce water in excess of 50 percent, 40 to 50 percent. The point at which 100 percent water would occur is, in our opinion, dependent upon probability and by drilling at a location 840 or below you would be taking a chance on 100 percent water.

Q Was Exhibit 1 and the Exhibits contained therein prepared by you or under your supervision?

A Yes, sir.

Q At this time I would like to offer into evidence Exhibit No. 1.

MR. NUTTER: Exhibit 1 in this case will be admitted into evidence.

(Whereupon, Applicant's Exhibit No. 1 was marked for identification and admitted into evidence.)

MR. KELLAHIN: That is all I have on direct examination, Mr. Nutter.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Greaves, it is not mentioned in the Application nor in the legal notice for this case that you propose a 40 acre nonstandard unit, but that is your proposition, is that correct?

A Yes, sir, that is correct.

Q You are aware that at least administrative approval for the nonstandard unit would have to be obtained?

A Yes, sir, right.

Q And you propose to dedicate only the 40 acres, being the Northeast to the Southeast of Section 23 to the well?

A Yes, sir.

Q Now, you mentioned the water cuts on a number of wells on your cross section 1 to 7. How about going up North then, and the other wells on your other cross sections, what is the water cut-off?

A Yes, sir, on the last cross section and turning back to the summary of well information, the first well on the left is the Meadco Arco No. 1 which we talked about before. This well is in Section 26, Northwest

GREAVES-CROSS

CASE 5175

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northwest.

Q That had a 70 percent cut-off?

A That's right, and then the next well is again the Flag-Redfern Oil Company-Yates Federal which was again mentioned before at 17 percent.

Q How about Flag-Redfern No. 1 Belbry 23?

A All right, sir. The well was completed actually with a water cut of 41 percent, however, current well tests indicate 9 percent.

Q So the water cut has gone down?

A Yes, sir. There may have been some acid water in that initial contention.

Q How about your Marathon Federal?

A The Marathon Federal No. 1 was completed with a water cut of 2 percent and currently produces 11 percent water, 11 barrels of oil and 1 barrel of water.

Q So those two wells are going up the structure, and you are getting water?

A That's correct, yes, sir.

Q And the normal location which you are seeking to avoid here would probably be a very high water content?

A That's correct. That is our current interpretation of the structure.

MR. NUTTER: Are there any further questions of

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GREAVES-CROSS

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Mr. Greaves?

You may be excused.

Do you have anything further Mr. Kellahin?

MR. KELLAHIN:

**MR. NUTTER: Does anyone have anything further
to offer in Case No. 5175?**

We'll take the Application under advisement.


STATE OF NEW MEXICO)
COUNTY OF SANTA FE)

ss.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5175, heard by me on 2/27, 1924.

, Examiner
New Mexico Oil Conservation Commission

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SANTA FE, NEW MEXICO 87501
TEL. (505) 982-0386

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. 5175
Order No. R-4737

APPLICATION OF FLAG-REDFERN OIL
COMPANY FOR AN UNORTHODOX OIL WELL
LOCATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 27, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of March, 1974, 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, Flag-Redfern Oil Company, seeks, as an exception to the West Sawyer-San Andres Special Pool Rules, authority to drill an oil well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 23, Township 9 South, Range 37 East, Lea County, New Mexico.
- (3) That said unorthodox location is proposed in order to avoid an excessive water cut which might occur at a standard location.
- (4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the West Sawyer-San Andres Pool and will otherwise prevent waste and protect correlative rights.

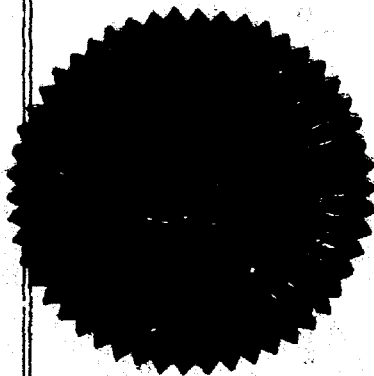
IT IS THEREFORE ORDERED:

- (1) That an exception to the West Sawyer-San Andres Special Pool Rules is hereby granted authorizing applicant to drill an oil well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 23, Township 9 South, Range 37 East, NMPM, Lea County, New Mexico.

-2-
Case No. 5175
Order No. R-4737

(2) 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

I. R. Trujillo
I. R. TRUJILLO, Chairman

Alex J. Armijo
ALEX J. ARMILLO, Member

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

S E A L

dr/

CASE 5055: (Reopened)

In the matter of Case No. 5055 being reopened pursuant to the provisions of Order No. R-4651 to permit the applicant, Merrion and Bayless, to appear and present evidence as to the method for allocating oil production to the Devils Fork-Gallup Oil Pool and to an undesignated Greenhorn Oil Pool, and gas to the Basin-Dakota Pool in its Cañada Mesa Well No. 3 located in Unit A of Section 14, Township 24 North, Range 6 West, Rio Arriba County, New Mexico, said production having been commingled in the wellbore under authority of said Order No. R-4651.

Jason K. Bayless
CASE 5175: Application of Flag-Rodfern Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the West Sawyer-San Andres special pool rules, authority to drill a well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 23, Township 9 South, Range 37 East, Lea County, New Mexico.

CASE 5176: Application of R. Q. Silverthorne for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates formation in the perforated interval from 2485 feet to 2506 feet in his Kenwood Well No. 4 located in Unit K of Section 30, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 5177: Application of Atlantic Richfield Company for the amendment of Order No. R-4549, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4549, which order established project rules for the Empire-Abo Pressure Maintenance Project, Eddy County, New Mexico, to raise the maximum project allowable from the present 40,192 barrels per day to 40,555 barrels per day because of additional lands committed to the unit, and to provide for administrative approval for water injection wells in said project, and for inclusion of a reservoir voidage replacement credit for water injected into the Abo reservoir; applicant further seeks the amendment of Order No. R-4549 to provide that the maximum project allowable of 40,555 barrels per day would be achieved upon injection of "all available residue gas" rather than "70% of the produced gas", as now provided in the project rules. Applicant further seeks the establishment of a gas injection credit "bank", against which injection credit could be drawn in order to maintain full allowables during such times as injection plant shut-downs, etc.

CASE 5178: Application of El Paso Natural Gas Company for the amendment of Order No. R-1670 and Order No. R-333-F-1, San Juan Basin, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rules 8(C)3 and 10(B)2 and 3 of the Northwest New Mexico Gas Proration Rules as prescribed by Order No. R-1670, as amended, and Section 1 B of Chapter I of the Gas Well Testing Rules for Northwest New Mexico as prescribed by Order No. R-333-F-1, as amended, to provide for a 90-day period within which to conduct deliverability tests on newly completed wells. Applicant further seeks the amendment of the gas well testing rules to provide a production penalty for delinquency in testing non-prorated wells in the same manner as such penalty is currently applied to delinquency in testing prorated wells. Applicant further seeks clarification for the classification of exempt-marginal status for wells upon which tests are not required.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 27, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5173: (Continued from the February 13, 1974, Examiner Hearing)

Application of Mobil Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 3, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to its Maude Rickman Com Well No. 1 located in Unit L of said Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5128: (Continued from the January 30, 1974, Examiner Hearing)

Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of Section 28.

CASE 5174: Application of Gulf Oil Corporation for three dual completions and for the amendment of Order No. R-2909, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete three wells for water injection into its Central Drinkard Unit Waterflood Project in Township 21 South, Range 37 East, Lea County, New Mexico, and for production as follows:

- H. T. Mattern Well No. 8, Unit I, Section 30: Blinbry Oil Pool;
- W. T. McCormack Well No. 13, Unit A, Section 32: Tubb Gas Pool;
- J. N. Carson Well No. 4, Unit O, Section 28: Blinbry Gas Pool;

Applicant further seeks the amendment of Order No. R-2909, which authorized said waterflood project, to provide for administrative approval of additional dual injection-production wells in said unit area.

DOCKET NO. 5-74 .

EXAMINER HEARING

FEBRUARY 27, 1974

CASE 5175

Application of Flag-Redfern Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant in the above-styled cause, seeks, as an exception to the West Sawyer-San Andres special pool rules, authority to drill a well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 23, Township 9 South, Range 37 East, Lea County, New Mexico.

CASE 5175

Flag-Redfern Oil Company requests approval to drill the Bilbrey "23", Well No. 4, to be located 1980' FSL and 660' FEL of Section 23, 9S, 37E, and that the well be granted an assignment of 40 acres upon completion.

The West Sawyer-San Andres special pool rules provide that the first well on each 80-acre unit shall be drilled in the NW/4 or the SE/4 of a governmental quarter section. The well shall be located within 200 feet of the center of governmental quarter-quarter section.

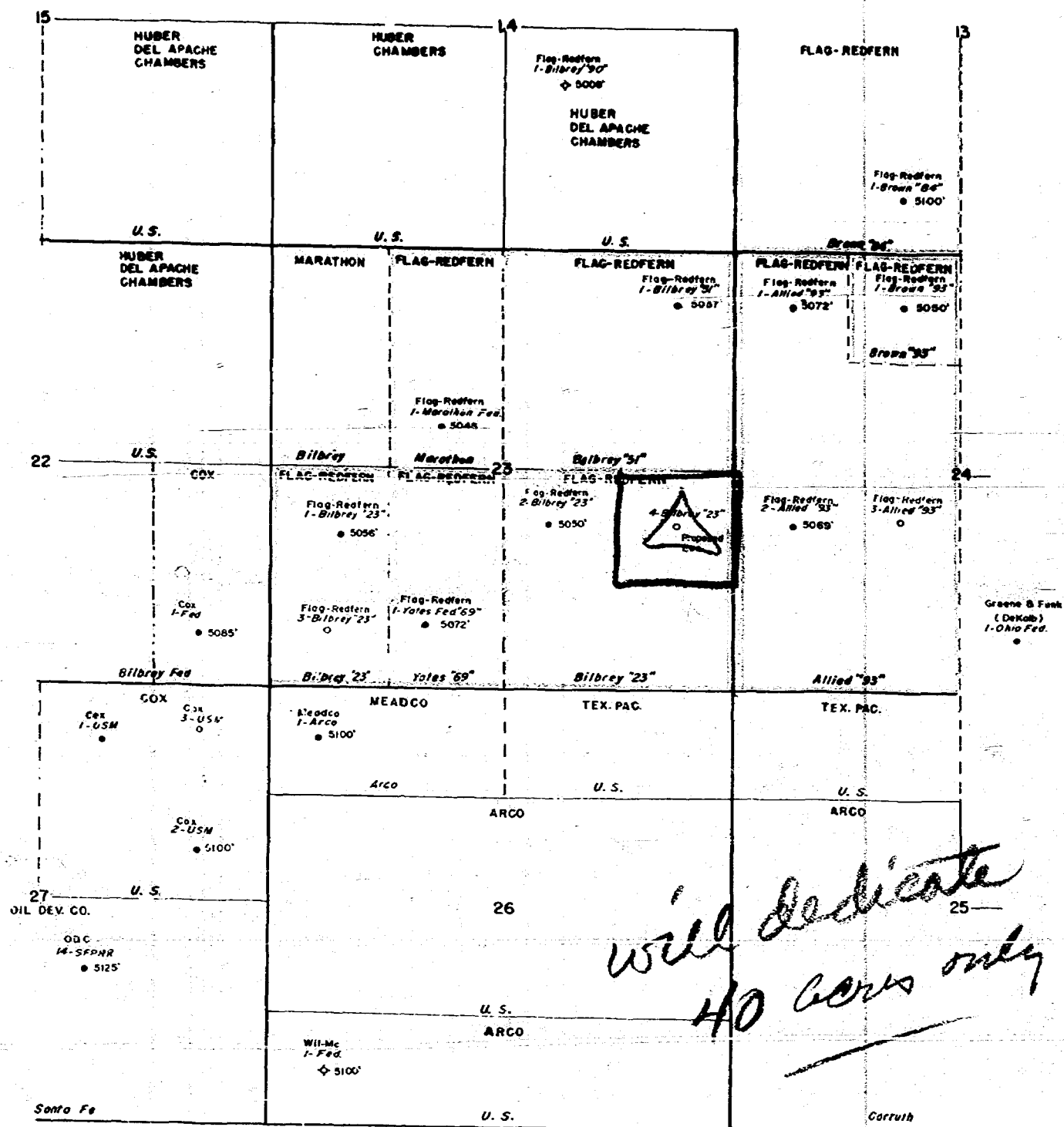
Under this requirement, the well would be located 801' FSL and 801' FEL of the section. Our current structural interpretation indicates that the well would encounter the San Andres Pi marker at a datum of -858' subsea. The lowest commercial producer in the immediate area encountered the Pi marker at a datum of -847' subsea.

The San Andres reservoir contains a transitional water zone, and a definite water-oil contact has not been established. As indicated by the attached cross sections and Summary of Well Information, a structural position with the Pi marker below a datum of -840' subsea results in a high water cut, and the only dry hole in the immediate area, The Wil-Mc Corp. Federal 26 No. 1 M, 26-9S-37E, encountered the Pi marker at a datum of -888' subsea. Completion was attempted in the top of the porosity from a datum of -1060' to 1066' subsea, and final recovery was water with a show of oil.

The drilling of this well at the required location with the anticipated low structural position results in considerable risk. It is possible that this location can be successfully completed, however, it is requested that approval be granted to drill in the unorthodox location prior to the development of the designated location.

1. OWNERSHIP MAP
2. STRUCTURE MAP
3. SUMMARY OF WELL INFORMATION
4. LINE OF CROSS SECTIONS
5. CROSS SECTION OF WELLS 1 THRU 7
6. CROSS SECTION OF WELLS 3, 4, 8 & 9

R-37-E



T
9
S

Δ = proposed loc.



Flag-Redfern Oil Company

410 WALL TOWERS WEST • MIDLAND, TEXAS 79701
P. O. BOX 23 • PHONE (915) 683-3184



SAWYER FIELD AREA
LEA COUNTY, NEW MEXICO

OWNERSHIP MAP

GEOLOGIST: _____ DATE: _____
SCALE IN THOUSAND FEET

15 14 13



P O BOX 23 • PHONE (015) 603 5184



SUMMARY OF WELL INFORMATION

Oil Development Co. of Texas

SFRR No. 14 J 27-9S-37E

Structural Pi Marker	(-842)
Top of Porosity	(-1003)
Completion Interval	(-1004 to -1023)
Initial Water Percentage	50 Percent
Current Water Percentage	73 Percent ✓

John L. Cox

USM No. 2 H 27-9S-37E

Structural Pi Marker	(-844)
Top of Porosity	(-1004)
Completion Interval	(-1005 to -1033)
Initial Water Percentage	83 Percent
Current Water Percentage	76 Percent ✓

Meadco Properties, Ltd.

Arco No. 1 D 26-9S-37E

Structural Pi Marker	(-842)
Top of Porosity	(-1006)
Completion Interval	(-1015 to -1039)
Initial Water Percentage	11 Percent
Current Water Percentage	70 Percent

Flag-Redfern Oil Company

Yates #69# Federal No. 1 N 23-9S-37E

Structural Pi Marker	(-838)
Top of Porosity	(-991)
Completion Interval	(-1001 to -1023)
Initial Water Percentage	35 Percent
Current Water Percentage	17 Percent

Flag-Redfern Oil Company

Allied #93# No. 2 L 24-9S-37E

Structural Pi Marker	(-844)
Top of Porosity	(-998)
Completion Interval	(-1009 to -1073)
Initial Water Percentage	48 Percent
Current Water Percentage	67 Percent

Summary of Well Information
Page 2

Vernon Greene & V. H. Funk

Ohio Federal No. 1 O 24-9S-37E

Structural Pi Marker	(-847)
Top of Porosity	(-1011)
Completion Interval	(-1011 to -1025)
Initial Water Percentage	43 Percent
Current Water Percentage	26 Percent

Flag-Redfern Oil Company

Bilbrey "23" No. 1 L 23-9S-37E

Structural Pi Marker	(-818)
Top of Porosity	(-983)
Completion Interval	(-984 to -1046)
Initial Water Percentage	41 Percent
Current Water Percentage	9 Percent

Flag-Redfern Oil Company

Bilbrey "23" No. 2 J 23-9S-37E

Structural Pi Marker	(-817)
Top of Porosity	(-983)
Completion Interval	(-984 to -1042)
Initial Water Percentage	2 Percent
Current Water Percentage	8 Percent

Flag-Redfern Oil Company

Marathon Federal No. 1 F 23-9S-37E

Structural Pi Marker	(-799)
Top of Porosity	(-965)
Completion Interval	(-968 to -1012)
Initial Water Percentage	2 Percent
Current Water Percentage	11 Percent

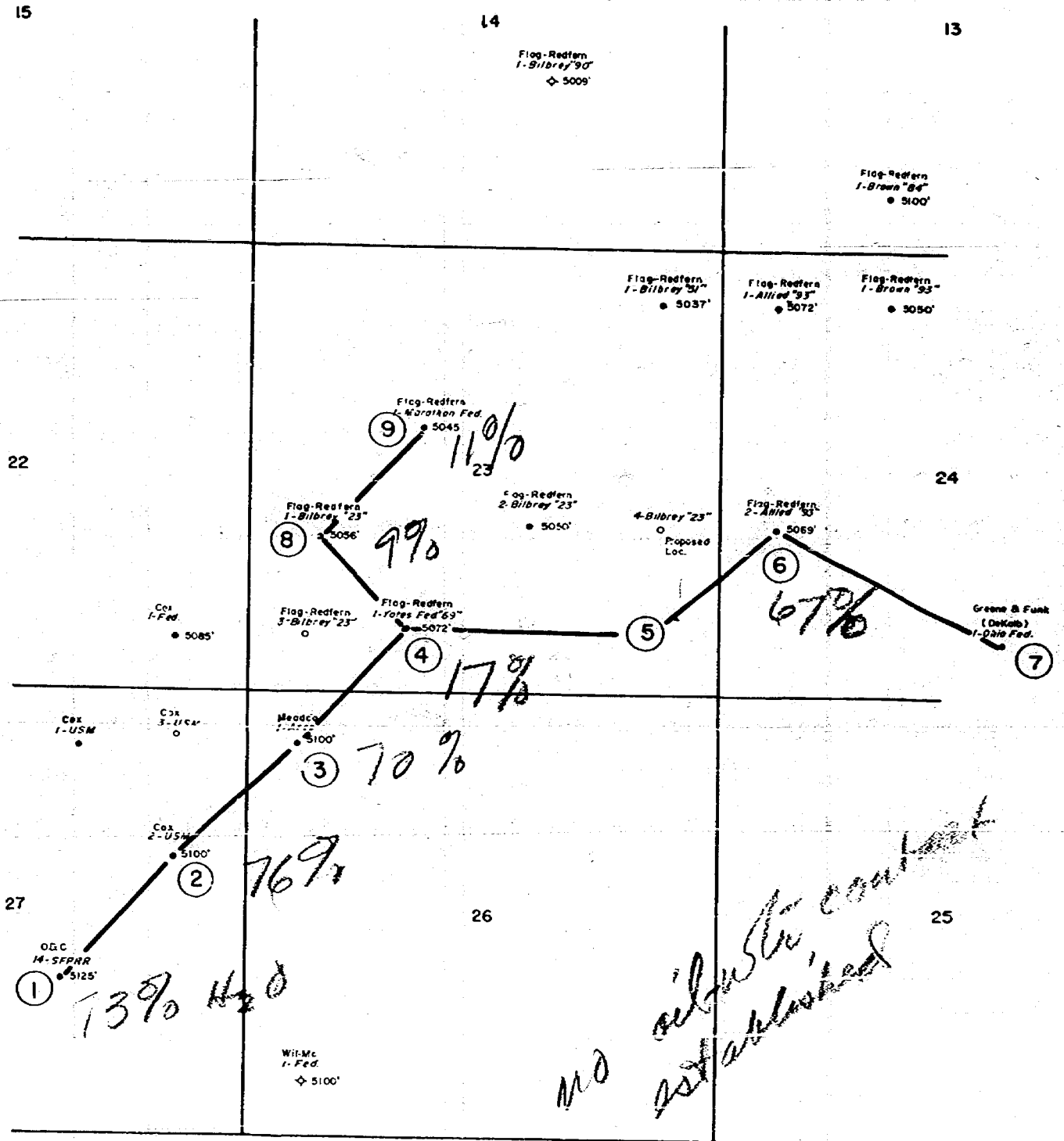
The Wil-Mc Corp.

Federal 26 No. 1 M 26-9S-37E

Structural Pi Marker	(-888)
Completion Interval	(-1060 to -1066)
Plugged & Abandoned	

R-37-E

T
9
S



SAWYER FIELD AREA
LEA COUNTY, NEW MEXICO

LINE OF SECTION



Flag-Redfern Oil Company

410 WALL TOWERS WEST • MIDLAND, TEXAS 79701

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GEOLOGIST:

2

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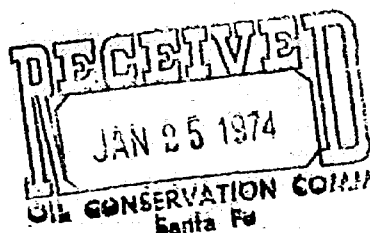
DATE:

4

Flag-Redfern O I L C O M P A N Y
410 WALL TOWERS WEST • MIDLAND, TEXAS 79701

Case 5175

January 23, 1974



23-95-37E
I
660 FEL
1980 BSL

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Flag-Redfern Oil Company requests a hearing before an Examiner of the Commission to ask approval for a non-standard well location in the West Sawyer San Andres pool. Field rules provide for 80-acre spacing with the first well in each unit to be drilled in the NW/4 or the SE/4 of a governmental quarter section, with the option to drill on each of the quarter-quarter sections. In asking for a non-standard well location, Flag-Redfern proposes to drill a well in the NE/4 of a quarter section.

Thank you for your consideration.

Yours very truly,

John H. Swendig
John H. Swendig
Petroleum Engineer

JHS:ss

cc: OCC - Santa Fe (Orig. + 2)
OCC - Hobbs (1)

DOCKET MAILED

Date 2-15-74

Through merger this Company is the successor of Flag Oil Corporation of Delaware, Redfern Development Corporation, Redfern Oil Company, Peter F. Redfern & Sons Co., Carney Properties, Inc. and Pomaikai Oil Corporation.

DRAFT

-jr/ -

(Handwritten initials)

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. 5175

Order No. R-4737

APPLICATION OF FLAG-REDFERN OIL COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

Roll

(Handwritten signature)

(Handwritten signature)

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 27, 1974
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of March, 1974, 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, Flag-Redfern Oil Company seeks, as an exception to
the West Sawyer-San Andres Special Pool Rules, authority to drill an oil well at
an unorthodox location 1980 feet from the South line and 660 feet from the East
line of Section 23, Township 9 South, Range 37 East, Lea County, New Mexico.

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(3) That said unorthodox location is proposed in order to avoid an excessive water cut which might occur at a standard location.

(4) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the West Sawyer-San Andres Pool and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an exception to the West Sawyer-San Andres Special Pool Rules is hereby granted authorizing applicant to drill an oil well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 23, Township 9 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) 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.