

Entered July 20, 1970
A.H.D.

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. 4383
Order No. R-3998

APPLICATION OF MWJ PRODUCING 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 9:30 a.m. on July 15, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of July, 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, MWJ Producing Company, seeks an exception to Rule 4 of the Special Rules and Regulations governing the Baum-Upper Pennsylvanian Pool, as promulgated by Order No. R-3368-A, to permit the drilling of an oil well at an unorthodox location 330 feet from the North line and 2310 feet from the West line of Section 9, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) That the NW/4 of said Section 9 would be dedicated to the subject well.

(4) That the productivity of approximately 40 acres in the southern and southwestern part of said Section 9 is doubtful in the subject pool.

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(5) That a well drilled at the proposed non-standard location is more likely to encounter more of the Baum-Upper Pennsylvanian producing section above 100% water saturation than a well drilled at a standard location for said pool and should, therefore, result in greater ultimate recovery of oil from the pool.

(6) That approval of the proposed unorthodox location will not violate correlative rights and will afford the applicant the opportunity to produce its just and equitable share of the oil from the subject 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 otherwise prevent waste, provided the subject well receives no more than 120/160 of a standard allowable for the pool.

IT IS THEREFORE ORDERED:

(1) That the applicant, MWJ Producing Company, is hereby granted an exception to the well location requirements of the Baum-Upper Pennsylvanian Pool, as promulgated by Order No. R-3368-A, and is hereby authorized to drill an oil well at an unorthodox location 330 feet from the North line and 2310 feet from the West line of Section 9, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico;

PROVIDED HOWEVER, that the subject well shall receive no more than 120/160 of a standard allowable for the subject pool.

(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

DAVID-F. CARGO, Chairman

ALAN J. ARMIJO, Member

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

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