



AE Order Number Banner

Report Description

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App Number: pDD00000252002

DD - 25

MWJ PRODUCING CO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



March 27, 1989

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

MWJ Producing Company
400 West Illinois - Suite 1100
Midland, TX 79701

Attention: Pat Drexter

Administrative Order DD-25

Dear Ms. Drexter:

Under the provisions of General Rule 111 (c), (d) and (e), MWJ Producing Company made application to the New Mexico Oil Conservation Division on March 20, 1989, for authorization to directionally drill its Baum "F" State Well No. 2, Lea County, New Mexico.

The Division Director Finds That:

- (1) The application has been duly filed under the provisions of Rule 111 (d) and (e) of the Division General Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met; and
- (4) Waivers of obligation from all off-setting operators have been received.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, MWJ Producing Company, is hereby authorized to recomplete and directionally drill its Baum "F" State Well No. 2, located at a previously approved unorthodox oil well location (Division Order No. R-4038) 2310 feet from the South line and 990 feet from the West line (Unit L) of Section 5, Township 14 South, Range 33 East, Lea County, New Mexico, by plugging back to a depth of 5000 feet and then kicking off from the vertical and drilling in such a manner as to bottom in the Baum Upper Pennsylvanian Pool at a standard oil well location (pursuant to the Special Pool Rules) in the SE/4 SW/4 (Unit N) of said Section 5.

PROVIDED HOWEVER THAT: prior to directional drilling, the operator shall determine the subsurface location of the kick-off point; and

PROVIDED FURTHER THAT: subsequent to the above-described directional drilling, should said well be a producer, a continuous multi-shot directional survey shall be made of the wellbore from total depth to kick-off point with shot points not more than 100 feet apart; the operator shall cause the surveying company to forward a copy of the survey report directly to the Santa Fe office of the Division,

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MWJ Producing Company
March 27, 1989
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310 Old Santa Fe Trail, Room 206, Santa Fe, New Mexico 87503, and the operator shall notify the Division's Hobbs District Office of the date and time said survey is to be commenced.

(2) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(3) The SW/4 of said Section 5 shall be dedicated to the well forming a standard 160-acre oil spacing and proration unit for said pool.

(4) Jurisdiction of this cause is 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



for WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Hobbs
NM Oil and Gas Engineering Committee - Hobbs
NM State Land Office - Santa Fe



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 14, 1989

MWJ Producing Company
400 West Illinois
Suite 1100
Midland, TX 79701

Attention: Stan Venable

RE: Amendment to Administrative Order
DD-25 for an unorthodox
bottomhole oil well location.

Dear Mr. Venable:

To date, a reply to my letter dated June 1, 1989 has not been received. It is also our understanding that this well is producing at the present time from the Baum Upper Pennsylvanian Pool.

You are hereby put on notice that said production is considered to be illegal until such time as approval of the unorthodox bottomhole location is obtained.

A 35-day grace period starting from the date of this letter will be granted to allow for sufficient time to comply with the provisions under Division Order No. R-3368-A for administrative approval for an unorthodox oil well location in the Baum Upper Pennsylvanian Pool or this well will be subject to shut-in.

If you should have any questions concerning this matter, please contact me.

Sincerely,

Michael E. Stogner
Engineer

MES/ag

cc: Oil Conservation Division - Hobbs
William J. LeMay
Victor T. Lyon



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 1, 1989

MWJ Producing Company
400 West Illinois
Suite 1100
Midland, TX 79701

Attention: Stan Venable

RE: Administrative Order No. DD-25

Dear Mr. Venable:

Before the Division may consider your request for an unorthodox location for the actual bottomhole location of the Baum State Well No. 2, notification to all off-set operators will be required. Please submit copies of such notification at which time this application will be handled pursuant to Special Rule 5 of Order No. R-3368-A.

If you should have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner
Engineer

MES/ag

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. 3701
Order No. R-3368-A
NOMENCLATURE

APPLICATION OF COASTAL STATES GAS
PRODUCING COMPANY FOR AN AMENDMENT
TO ORDER NO. R-3368, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8 a.m. on May 22, 1968,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 29th day of May, 1968, 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 by Order No. R-3368, dated January 22, 1968,
temporary Special Rules and Regulations were promulgated for the
Baum-Wolfcamp Pool, Lea County, New Mexico, providing for 80-acre
spacing units, limited well locations, and an 80-acre proportional
factor of 4.77 for allowable purposes, and providing that said
temporary rules be reconsidered at an examiner hearing in
January, 1969.

(3) That the applicant, Coastal States Gas Producing Com-
pany, seeks amendment of the temporary Special Rules and Regula-
tions promulgated by Order No. R-3368 to provide for 160-acre
spacing units with the assignment of 80-acre allowables.

CASE No. 3701
Order No. R-3368-A

(4) That the applicant also seeks to have said rules and regulations, as proposed, made permanent.

(5) That a number of wells have been completed in the subject pool subsequent to the issuance of Order No. R-3368.

(6) That the additional evidence concerning the characteristics of the subject reservoir gained as a result of said completions establishes that one well in the pool can efficiently and economically drain and develop 160 acres.

(7) That the additional evidence presented indicates that the establishment of 160-acre spacing units and an 80-acre proportional factor of 4.77 for allowable purposes is warranted.

(8) That the Special Rules and Regulations promulgated by Order No. R-3368, as amended by this order, will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

(9) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-3368, as amended by this order, should be continued in full force and effect until further order of the Commission.

(10) That the aforementioned additional evidence also establishes that the subject pool is producing from the Upper Pennsylvanian formation rather than the Wolfcamp formation.

(11) That the subject pool should be redesignated the Baum-Upper Pennsylvanian Pool.

IT IS THEREFORE ORDERED:

(1) That, effective June 1, 1968, Order (a) of Order No. R-675-A, Order (a) of Order No. R-914, Order (e) of Order No. R-3367, and Order (a) of Order No. R-3389 are hereby amended by deleting therefrom the word "Wolfcamp" wherever it appears and substituting in lieu thereof the words "Upper Pennsylvanian."

CASE No. 3701
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(2) That the Special Rules and Regulations governing the Baum-Wolfcamp Pool, Lea County, New Mexico, promulgated by Order No. R-3368, are hereby amended to read in their entirety as follows, effective June 1, 1968:

SPECIAL RULES AND REGULATIONS
FOR THE
BAUM-UPPER PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Baum-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Upper Pennsylvanian oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Land Surveys.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit consisting of less than 160 acres or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state

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that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (158 through 162 acres) shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 160 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Baum-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before June 1, 1968.

(2) That each well presently drilling to or completed in the Baum-Upper Pennsylvanian Pool or in the Upper Pennsylvanian formation within one mile thereof shall, after June 1, 1968, receive an allowable in the same proportion to a standard 160-acre allowable for the pool as the acreage presently dedicated to the well bears to 160 acres, until Form C-102 dedicating 160 acres to the well has been filed with the Commission, or until a non-standard unit containing less than 160 acres has been approved.

(3) That Order No. R-3368 entered by the Commission on January 22, 1968, is hereby superseded.

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

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CASE No. 3701
Order No. R-3368-A

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 1, 1989

MWJ Producing Company
400 West Illinois
Suite 1100
Midland, TX 79701

Attention: Stan Venable

RE: Administrative Order No. DD-25

Dear Mr. Venable:

Before the Division may consider your request for an unorthodox location for the actual bottomhole location of the Baum State Well No. 2, notification to all off-set operators will be required. Please submit copies of such notification at which time this application will be handled pursuant to Special Rule 5 of Order No. R-3368-A.

If you should have any questions concerning this matter, please contact me.

Sincerely,

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Michael E. Stogner
Engineer

MES/ag