

NSL 3/6/97

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February 14, 1997

Hand Delivered

Michael E. Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.1(2), Mallon Oil Company hereby applies for administrative approval of an unorthodox gas well location for the following well:

Mescalero Ridge Unit "30" Well No. 4
1330 feet FNL & FEL
N $\frac{1}{2}$ S30, Township 19 South, Range 34 East, NMPM
Lea County, New Mexico

The well will be drilled to an approximate depth of 13,800 feet to test the Morrow formation.

The proposed location is based upon geological reasons. Attached as Exhibit A is a gross sand isopach of the Morrow B7 channel, the primary target zone, which shows a narrow northwest-southeast trending channel sand. The direction of this channel is based on regional trends, and the wells to the northeast and north which had zero gross sand in the Morrow B7 channel. The proposed location is necessary in order to (a) remain in the center of the channel and (b) to encounter approximately 30 feet of gross sand in the Morrow B7 channel, which Mallon believes is necessary for a commercial well. This belief is based on the two commercial wells to the south, the Pennzoil Mescalero 30 Fed. No. 1 (in the SE $\frac{1}{4}$ of Section 30) and the Fasken Ling Fed. No. 1 (in the NE $\frac{1}{4}$ of Section 31).¹ In addition, the proposed location maximizes the distance from the Mallon Mescalero Ridge Unit No. 1 (in the SW $\frac{1}{4}$ of Section 20), which was dry in the Morrow B7 channel, and minimizes the distance from

¹Morrow production data is also set forth on Exhibit A.

See
Case 11702

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Oil Conservation Division

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established production, while allowing the well to remain in the center of the channel.

Submitted as Exhibit B is a land plat, which shows (a) the proposed well unit outlined in red, (b) the proposed well location marked red, (c) acreage in which Mallon owns an interest highlighted in yellow, and (d) other wells in the area which have tested the Morrow. Ownership in the NE $\frac{1}{4}$ is common, and thus the proposed location will have no adverse effect upon interest owners in the NE $\frac{1}{4}$ in the event a well is completed in a shallower zone spaced on 40 or 160 acres.

Attached as Exhibit C is a listing of offset operators or lessees. Notice of the proposed unorthodox location has been given to all affected parties.

This application is submitted in duplicate. Please call me if you need anything further regarding this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce".

James Bruce

Attorney for Mallon
Oil Company

mal-aap.uol

BEACH
PENNZOIL RIDGE COM #1
1565
O. 128946
13600
5/12/1981

BEACH
MESCALERO RIDGE UNIT #1
10646
O. 1422638
13632
4/16/1980

MALLON
MESCALERO RIDGE UNIT #1
O. 8278200
13953
9/30/1969

MALLON
MESCALERO RIDGE UNIT 30 NO. 14

MALLON
MESCALERO 29 FED. COM #1
442
11 507036
13680
10/16/1983

PENNZOIL
MESCALERO 30 FED #1
980
33 1823912
13670
8/31/1985

BASS
BASS 32 STATE #1
2138
9 523283
13680
11/6/1991

FASKEN
LING FED. #1
9471
30 3560503
13690
4/6/1983

MALLON
PENNZOIL 36 STATE
6609
O. 94048
13690
8/13/1987

FASKEN
LING FED. #2
2098
20 6633028
13656
7/14/1988

MITCHELL
REDHAWK 32 STATE #1
3250
O. 650838
13658
4/21/1993

MITCHELL
REDHAWK 32 STATE #2
O. 13612
8/17/1993

LEGEND

- well producing from mapped interval
- cumulative prod. (mcf)
- well TD
- completion date

EXHIBIT

A

MALLON OIL COMPANY

Isopach
GROSS SAND - MORROW B7 CHANNEL
Quail Ridge, Lea County, New Mexico

w a bond	ss <80 API
	c.i. 5 feet

24

19

20

BEACH
PENNZOIL RIDGE COM #1
13600
5/12/1981

BEACH
MESCALERO RIDGE UNIT #1
13632
4/16/1980

Beach

MALLON
MESCALERO RIDGE UNIT #1
13953
9/30/1989

Unocal et al.

25

UNOCAL
SMITH #1
13650
4/2/1982

UNOCAL
SMITH #1
13650
1/22/1994

MALLON
MESC. RIDGE UNIT 30 NO. 4

30

29

MALLON
MESCALERO 29 FED. COM #1
13680
10/16/1983

PENNZOIL
MESCALERO 30 FED. #1
13670
8/31/1985

36

MALLON
PENNZOIL 36 STATE #1
13690
8/13/1987

FASKEN
LING FED. #2
13656
7/14/1988

31

FASKEN
LING FED. #1
13690
4/6/1983



BASS
BASS 32 STATE #1
13660
11/6/1991

MITCHELL
REDHAWK 32 STATE #1
13658
4/21/1993

32

MITCHELL
REDHAWK 32 STATE #2
13612
8/17/1993



Scale 1:18545.45

0.1 0 0.1 0.2 0.3 0.4 0.5 miles

LEGEND
Red Outline = Pooling acreage

MALLON OIL COMPANY

Delaware Basin - Lea NE
Pooling Acreage
Lea County, New Mexico

OFFSET OPERATORS OR LESSEES

S $\frac{1}{2}$ Section 19:

Beach Exploration, Inc.
Suite 200
800 North Marienfeld
Midland, Texas 79701

S $\frac{1}{2}$ Section 20 and S $\frac{1}{2}$ Section 29:

Mallon Oil Company

N $\frac{1}{2}$ Section 29:

Union Oil Company of California
Suite 300
1004 North Big Spring
Midland, Texas 79701

Ted W. McVay
703 East Clinton
Hobbs, New Mexico 88240

Headington Minerals, Inc.
7557 Rambler Road
Dallas, Texas 75231

Ray Westall
P.O. Box 4
Loco Hills, New Mexico 88255

Mitchell Energy Corp.
P.O. Box 4000
The Woodlands, Texas 77380

Laurelind Corporation
P.O. Box 2143
Roswell, New Mexico 88202

Yates Energy Corporation
1010 Sunwest Center
Roswell, New Mexico 88201

Heyco Employees Ltd.
P.O. Box 1933
Roswell, New Mexico 88202

Chevron U.S.A. Inc.
P.O. Box 1635
Midland, Texas 79702

