

CASE 5021: Application of MORTG
ON TOP 21: Application of MORTG
LOCATION IN 5021 TOP 21: Application of MORTG

CASE No.

5021

Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & associates

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6631 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
Wednesday, July 11, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Mobil Oil
Corporation for an
unorthodox oil well
location and special pool
allowable, Lea County,
New Mexico.

Case No. 5021

BEFORE: Daniel S. Nutter
Examiner

TRANSCRIPT OF HEARING

1 MR. NUTTER: Call next Case 5021.

2 MR. CARR: Case 5021, application of Mobil Oil
3 Corporation for an unorthodox oil well location and special
4 pool allowable, Lea County, New Mexico.

5 MR. SPERLING: Mr. Examiner, James E. Sperling,
6 Modrall, Sperling, Roehl, Harris & Sisk, Albuquerque,
7 appearing for the Applicant Mobil Oil Corporation. We
8 have two witnesses.

9 JOHN SEEREY,

10 was called as a witness, and after being duly sworn according
11 to law testified as follows:

12 DIRECT EXAMINATION

13 BY MR. SPERLING:

14 Q Would you please state your name, your place of residence,
15 your employer, and the capacity in which you are employed?

16 A My name is John Seerey, employed as Associate Engineer
17 for the Midland area office of Mobile Oil Corporation.

18 Q Have you on any previous occasion testified before the
19 Commission so that your professional qualifications are
20 a matter of record?

21 A Yes, I have.

22 MR. SPERLING: Are the witness' qualifications
23 acceptable, Mr. Examiner?

24 MR. NUTTER: Yes, sir. They are.

25 Q Would you please explain for the record what Mobil is

1 seeking in this case pursuant to its application?

2 A Mobile Oil Corporation requests approval of the Commission
3 for the drilling of the New Mexico "B" Number 9 Well at
4 an unorthodox location. Mobil further requests that the
5 Commission assign a special depth bracket allowable of
6 604 barrels of oil per day to the Mescalero Devonian
7 Oil Pool, to replace the current depth bracket allowable
8 of 302 barrels of oil per day.

9 Q Mr. Seerey, would you now please refer to what has been
10 marked for identification as Mobil Oil Corporation Exhibit
11 Number 1 in this case and explain the nature and purpose
12 of that exhibit?

13 A Exhibit Number 1 is an ownership map showing the area of
14 the Mescalero Devonian Oil Pool. The remaining producing
15 segment of the subject pool, which consists of Mobil's
16 New Mexico "B" Lease, is shown marked in yellow in the
17 Northeast quarter of Section 27. The other wells, leases
18 and ownership within a two-mile radius of the subject
19 lease are also shown.

20 Q Now, would you please refer to what has been marked as
21 Exhibit 2 and explain the nature and purpose of this
22 exhibit?

23 A Exhibit 2 is a structure map on the top of the Devonian
24 in the Mescalero Devonian Oil Pool. The proposed Well
25 Number 9 of this application is shown in red as an

1 unorthodox location in Unit B, 940 feet from the North
2 line, and 1510 feet from the East line of Section 27,
3 Township 10 South, Range 32 East, Lea County, New Mexico.

4 The remaining producing segment of the Mescalero
5 Devonian Oil Pool, which is the Mobil New Mexico "B"
6 Lease is outlined in the Northeast quarter of Section 27.
7 The wells remaining in the subject pool are shown,
8 Mobil's New Mexico "B" Wells Numbers 1, 4, and 5.

9 The details and geology of this structure map will be
10 explained further by a following witness.

11 Q Now, would you please refer to Exhibit Number 3 and
12 identify and explain that exhibit?

13 A Exhibit Number 3 is a plat showing the Northeast quarter
14 of Section 27 in further detail. The proposed well Number
15 9 is shown in red at the unorthodox position, 940 feet
16 from the North line and 1510 feet from the East line of
17 Section 27. The surface facilities that exist in the
18 immediate area of the proposed well are shown.

19 The proposed Well Number 9 is an unorthodox location
20 because it is closer than 330 feet to the East quarter,
21 quarter line of Unit B.

22 The three remaining producing wells in the subject
23 pool, Mobil's New Mexico "B" Wells Numbers 1, 4, and 5
24 are shown with well ties. The dimensions of the Northeast
25 quarter of Section 27 are shown and indicate a variance

1 from a standard sub-division.

2 Q Would you explain why it is that mobile feels that this
3 unorthodox location is necessary?

4 A The Mescalero Devonian Pool has been producing since 1952
5 as a strong water drive reservoir. Mobil is the only
6 remaining operator in the pool with three Devonian wells.
7 Two of these wells, New Mexico "B" Number 4 and Number 5,
8 have become high water cut wells. The New Mexico "B"
9 Well Number 1, presently the highest well structurally
10 in the pool is still producing reasonably free of water.

11 Mobil believes that it is necessary to drill an
12 infill development well at an unorthodox position on the
13 apex of the Devonian structure in order to recover the
14 remaining reserves of crestal or "attic" oil which cannot
15 be drained by the existing wells because of their down-dip
16 locations, plus the natural water drive of the reservoir.

17 Since the location of the apex of this structure
18 dictates the position of the proposed Well Number 9,
19 Mobil finds it necessary to request the approval of the
20 drilling of the proposed well at an unorthodox location.

21 Q Now, Mr. Seerey, the application also contains the
22 request for the establishment of an allowable for this pool.
23 Would you explain your company's position on that?

24 A Well, as shown, we find that to drill the proposed infill
25 development well on the apex of the Devonian structure,

1 we not only position the proposed well at an unorthodox
2 location, but also locate the proposed new well on the
3 same 40-acre proration unit as the existing Mobil New
4 Mexico "B" Well Number 1.

5 As pointed out previously, Mobil's New Mexico "B"
6 Well Number 1 is presently the highest well structurally
7 in the Mescalero Devonian Pool. Well Number 1 is still
8 a flowing top allowable well, still reasonably free of
9 water, and capable of producing rates in excess of the
10 present top allowable.

11 As economic justification for the proposed infill
12 development Well Number 9 and for other development
13 necessary in order to attain maximum recovery of the
14 remaining reserves in the subject pool, Mobil is requesting
15 the assignment of a special depth bracket allowable of
16 604 barrels of oil per day for the Mescalero Devonian
17 Oil Pool to replace the current depth bracket allowable
18 of 302 barrels of oil per day.

19 Q Now, would you refer to Exhibit Number 4, please, and
20 explain it?

21 A Exhibit Number 4 is a diagrammatic sketch of the proposed
22 Well Number 9. This sketch shows that the subject well
23 is proposed to be drilled to a 9900 foot total depth,
24 and the intended casing program is shown.

25 The estimated cost to drill and complete this well is

1 \$215,000.

2 Q What is the performance and production history of this
3 pool to the present time?

4 A Exhibit Number 5 is a composit of production data curves
5 that reflect the performance of the subject pool. The
6 pool was discovered in October, 1952, so the first year
7 of production data shown is for the year 1953. The last
8 complete year of production data shown is for 1972.

9 At the extreme bottom of Exhibit Number 5 we have
10 plotted a profile showing the average daily unit allowable
11 for the pool for each year shown. This is shown in BOPD
12 and is simply the average allowable for each year granted
13 by the Commission to wells in the Mescalero Devonian Oil
14 Pool.

15 A tabulation of the input data for this unit allowable
16 curve is shown on Exhibit Number 5-A.

17 Proceeding upward on Exhibit Number 5, we have shown
18 a curve reflecting the trend of the average of all bottom
19 hole pressures available in the pool for each year.

20 From the pool discovery in 1952 through the peak
21 development period occurring in 1961 with seven wells,
22 you will note a decline in average bottom hole pressures
23 in the pool.

24 As the high water-cut wells were abandoned throughout
25 the years 1962 through 1965, you will note a stabilizing

1 trend in the average bottom hole pressures.

2 With the decline of water withdrawals and the number
3 of wells in the pool, you will note an increase in the
4 average bottom hole pressures from 1966 to date. We
5 believe that the increasing average bottom hole pressures
6 shown to occur in this pool throughout continuous
7 production is an indication of the strong natural water
8 influx into this reservoir.

9 A tabulation of the bottom hole pressure data used
10 in plotting this curve is shown on Exhibit Number 5-B.

11 Proceeding upward again on Exhibit Number 5 you will
12 note a profile of the number of wells that existed in the
13 Mescalero Devonian Oil Pool during the years shown. A
14 tabulation of this well count is shown on Exhibit Number
15 5-C.

16 At the top of Exhibit #5 we have shown two profiles
17 of average production data in the pool.

18 The lower profile shows the average oil production
19 of the pool in barrels of oil per month for each year on
20 the exhibit. A tabulation of this oil production data
21 is shown on Exhibit Number 5-D.

22 The upper profile shows the total average oil and
23 water withdrawals from the pool in barrels per month for
24 each year included on the exhibit. The difference that
25 occurs between the upper and lower profile lines is a

1 reflection of the average water production in the pool for
2 each year. Exhibit Number 5-E is a tabulation of the
3 average water production from the pool in barrels of
4 water per month.

5 You will note that the peak withdrawal period of the
6 years 1960 and 1961 coincides with the period of maximum
7 number of wells in the pool.

8 We believe that Exhibit Number 5 graphically
9 demonstrates the performance characteristics of the
10 Mescalero Devonian Pool. We believe that the increased
11 oil production shown from 1966 to date shows that increased
12 oil production is not harmful to the reservoir, as
13 evidenced by the increasing average bottom hole pressure
14 shown throughout that period.

15 Exhibit Number 5-F is a tabulation of the cumulative
16 oil and cumulative oil and water production for each year
17 from 1953 through 1972 for the pool.

18 Exhibit Number 5-G is a tabulation by month of the
19 average production, cumulative oil and cumulative oil
20 and water production, for the years 1972 and 1973, to
21 date, for the pool.

22 Q Now, would you refer to Exhibits 6 and 7 and explain
23 what they are?

24 A Exhibit Number 6 is a copy of the Form C-102 and Exhibit
25 Number 7 is a copy of the Form C-101 for the proposed New

1 Mexico "B" Number 9 Well.

2 Q Mr. Seerey, in your opinion will the approval of the
3 application in this matter be in the best interest of
4 conservation, prevention of waste?

5 A Yes, sir. Mobil believes that it is essential to drill
6 the New Mexico "B" Well Number 9 at the requested
7 unorthodox location if maximum ultimate recovery of
8 reserves from the Mescalero Devonian Pool is to be
9 accomplished. Without this well on the apex of the
10 structure, waste will occur. Approval of the request
11 for the special allowable will allow Well Number 9 to be
12 economically drilled and permit the remaining reserves
13 of the pool to be produced in an efficient manner.

14 Q I believe you stated earlier that Mobil is the only
15 operator in the pool considering that there are only
16 three wells still producing. If view of that, are there
17 any correlative rights involved?

18 A No, sir. There are not.

19 Q Do you have anything further at this time?

20 A No, sir.

21 MR. SPERLING: That's all we have of this witness.

22 CROSS-EXAMINATION

23 BY MR. NUTTER:

24 Q Mr. Seerey, is the other witness going to get into a
25 cross section showing the water-oil contact at the top of

1 this structure and if you were going to perforate this
2 well in the Devonian, how much pay you will have
3 approximately in the water-oil contact and such as that?

4 A Well, he will be prepared to discuss that.

5 Q What about the Wells Numbers 1, 4, and 5? You mentioned
6 that the 4 and 5 are now high water-cut wells. How much
7 oil and how much water are those wells producing now
8 and what's been their cumulative recovery?

9 A I believe the next witness' testimony includes the
10 production data on those. However, I have it handy here.
11 Well 4, the latest production data shows that it is
12 producing approximately 59 barrels of oil per day and 600
13 barrels of water per day.

14 Number 5, my records show that it produced 60
15 barrels of oil per day in April and 330 barrels of water.

16 Q 330?

17 A 330.

18 Q How about the Number 1, now, what is it producing in oil?

19 A The Number 1 is a top allowable oil of 302 barrels of
20 oil per day. It has a capability of slightly more than
21 that. It's a flowing well. It produced approximately
22 3 barrels of water per day in April. Wells 4 and 5
23 incidentally are on pump.

24 Q Has the cumulative production on the 4 and 5 been pretty
25 good by comparison to other wells in the pool or is the

1 other witness going to testify on cumulative production?

2 A He will, Your Honor, and there is indicated cumulative
3 production from the Devonian on Exhibit Number 2.

4 MR. NUTTER: Well, I'm referring to specific wells,
5 however, Mr. Sperling.

6 MR. SPERLING: Yes. That is shown by a specific
7 well.

8 MR. NUTTER: Oh, I see.

9 Q So all three of those wells that are currently producing
10 have vowed in excess of two million barrels of oil?

11 A Yes, sir.

12 Q Each?

13 A That's correct.

14 MR. NUTTER: Are there any other questions of Mr.
15 Seerey? He may be excused.

16 VICTOR INMAN,

17 was called as a witness, and after being duly sworn according
18 to law, testified as follows:

19 DIRECT EXAMINATION

20 BY MR. SPERLING:

21 Q Would you please state your name, your place of residence,
22 by whom you are employed, and your position with your
23 employer?

24 A My name is Victor Inman. I'm a Senior Production Geologist
25 with Mobil Oil Corporation in Midland, Texas.

1 Q Have you, Mr. Inman, on any previous occasion testified
2 before the Commission so that your qualifications are a
3 matter of record?

4 A Yes, I have.

5 MR. SPERLING: Are Mr. Inman's qualifications
6 satisfactory?

7 MR. NUTTER: Yes, they are.

8 Q Mr. Inman, would you refer to what has been identified
9 as Exhibit 2 in this case, previously identified by Mr.
10 Seerey, and explain the information contained on that
11 Exhibit from your professional standpoint?

12 A Exhibit Number 2 is a structure map of the Mescalero
13 Devonian Pool contoured on top of the Devonian. The pool
14 is located in Section 27 of Township 10 South, Range
15 32 East, in the Northwestern part of Lea County, New
16 Mexico. The scale of the map is 1 inch equals 1,000 feet.
17 The contour interval is one inch equals 100 feet. Mobil's
18 New Mexico "B" Lease, as explained before, is outlined
19 by the hatched line and consists of the Northeast quarter
20 of Section 27. The green and red areas will be explained
21 later.

22 Q Mr. Inman, were you responsible for mapping the structure
23 as it appears on the exhibit?

24 A Yes, I mapped it.

25 Q Would you describe your interpretation of the structure

1 as mapped?

2 A The Mescalero Devonian structure is a high relief North-
3 South trending anticline with a very steep dipping East
4 flank. This map is contoured without any faults on it,
5 but I interpret this steep East dip on the East flank to
6 be indicative of a down-to-the-East fault which I have
7 indicated by superimposing a fault line along this
8 steep dip.

9 Q What control points did you use in preparing the structure
10 map?

11 A The structure map is based on 11 wells which penetrated
12 the Devonian and on 4 wells which I have estimated the top
13 of the Devonian. The field is developed on 40-acre
14 spacing so we have close structural control that delineates
15 the productive area of the pool.

16 Q What is the lithology of the Devonian reservoir in this
17 area?

18 A Cores taken in Mobil's wells show the Devonian reservoir
19 to be a white to pink medium to coarse crystalline
20 fractured dolomite with intercrystalline and small to
21 large vuggy porosity sometimes described as cavernous.

22 Q Now, would you review for us briefly the history of this
23 particular Devonian pool which is identified as the
24 Mescalero, I believe?

25 A The Mescalero Devonian Pool was discovered in 1952 by the

1 Cities Service Number 1 State "AD" Well located on the
2 North end of the structure in Unit "D" of Section 22.
3 Subsequent development wells resulted in a total of 7
4 Devonian oil producers and 4 dry holes which tested water
5 in the Devonian. All the producers have watered out and
6 been abandoned or recompleted in shallower pays except
7 for the three Mobil wells colored brown near the crest
8 of the structure. And, again, these wells are the
9 New Mexico "B" Number 1, located in Unit B of Section 27,
10 the Number 4, located in Unit G, and the Number 5, located
11 in Unit H of Section 27.

12 Q Before we leave Exhibit 2, Mr. Inman, would you explain
13 the other data beside the indication of structure that
14 is contained on the exhibit by reference to the legend
15 as well as the other information that is contained and
16 indicated by arrows pointing to particular wells?

17 A The data that is shown adjacent or identified with each
18 well is the completion data of that well in the Devonian
19 and the perforated or open-hole interval of production,
20 the initial potention of the well, whether it is pumping
21 or flowing, in barrels of oil per day and the cumulative
22 production to April 1, 1973. And then below that, it
23 identifies when the well was abandoned in the Devonian
24 and recompleted in the shallower Penn formation.

25 Q I see.

1 A And also identified on this or in the right-hand part
2 at the bottom is a legend that identifies what formation,
3 the status of the well at the present time as to what zone
4 it is producing from or whether it has been abandoned.

5 Q Okay. Now, why is it your recommendation that the
6 proposed Well Number 9 which is indicated on Exhibit 2
7 be located in that particular unorthodox position?

8 A As stated before, the Devonian reservoir has a strong
9 water drive as evidenced by the relatively small drop from
10 original reservoir pressure while the pool produced nearly
11 five million barrels of oil over a period of twenty-one
12 years. There is no indication of a possible gas cap
13 because the reservoir is highly undersaturated with
14 original completions having GOR's varying from a maximum
15 of 237 cubic feet per barrel down to 18 cubic feet per
16 barrel to 1 and TSTM, and the present producing GOR is
17 less than 10 cubic feet per barrel.

18 MR. NUTTER: What was that?

19 THE WITNESS: Ten cubic feet per barrel.

20 A The original oil-water contact is designated on the map
21 by the outer --

22 Q Exhibit 2?

23 A Of Exhibit 2. It is designated by the outer edge of the
24 green colored area, and that original oil-water contact
25 goes near -5550 feet. And that is controled by a dry hole

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092 • PHONE 243-0501 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 on the West side near the oil-water contact in which that
2 well produced sulfur water. The encroaching water has
3 watered out four of the seven producers and is now
4 approaching the -5200 contour which is evidenced by the
5 water production in the Mobil Number 4 and 5 Wells which
6 pumped respectively, 59 barrels of oil per day and 601
7 barrels of water, and 61 barrels of oil per day and 330
8 barrels of water during April, 1973.

9 As stated before, the Number 1 Well is still
10 relatively water-free and flowed its allowable of 302
11 barrels of oil per day and 300 barrels of water per day.

12 Q Three barrels of water per day?

13 A And three barrels of water during April, 1973. When the
14 water reaches the top of the Devonian in the Number 1
15 Well at 5144 feet, you can see that the area colored
16 red on the crest of the structure will be left undrained.
17 This area contains approximately 29 acres and by drawing
18 in the -5100 feet crestal contour at the same dip rate as
19 the rest of the structure, it indicates that we have
20 44 feet of additional structural height above the top of
21 the Devonian in the Mobil Number 1 Well.

22 In other words, it's indicated that the gross pay
23 of the proposed Number 9 on the crest of the structure
24 should have more than 44 feet of gross pay.

25 Q That would be above the Number 1 well?

1 A Right, above the Number 1 Well.

2 Q Okay.

3 A And we estimate that 50 feet of gross pay with 29 acres
4 in area extent should have a recoverable oil figure of
5 up to 445,000 barrels of oil. Therefore, our purpose
6 in drilling the proposed Number 9 New Mexico "B" Well is
7 to recover this undrained crystal oil, and to make this
8 project economically feasible we are requesting a special
9 depth bracket allowable of 604 barrels of oil per day for
10 the Mescalero Devonian Pool since the proposed Number 9
11 Well is in the same 40-acre unit with the Number 1 Well.

12 Q Do you have anything further, Mr. Inman?

13 A No. That's all I have.

14 MR. SPERLING: At this time, Mr. Examiner, I'd like
15 to offer Mobil's Exhibits 1 through 7.

16 MR. NUTTER: Applicant's Exhibits 1 through 7 will
17 be admitted into evidence.

18 CROSS-EXAMINATION

19 BY MR. NUTTER:

20 Q Mr. Inman, you don't specifically know where the oil-water
21 contact is at this present time; is this correct?

22 A No. I imagine there is probably an interval at which, well,
23 there is oil and water to fit it specifically; but the
24 Number 4 Well, the top of the Devonian is at -5200; and
25 the Number 4 Well penetrated 22 feet of Devonian.

dearnley, meier & associates

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-9691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

- 1 Q So the bottom of the pay in that well then --
- 2 A Would be -5222. That would be the TD.
- 3 Q Minus 5222. Okay. How about the Number 5 with the
- 4 same figures?
- 5 A The Number 5 penetrated 48 feet of Devonian and has a
- 6 TD of -5322.
- 7 Q And, now, the same figures for the Number 1 Well?
- 8 A The Number 1 penetrated 73 feet of Devonian and has a
- 9 total depth of -5217.
- 10 Q -5217?
- 11 A Yes, sir.
- 12 Q So it's somewhere below the -5200 foot contour,
- 13 approximately 5215, somewhere in that vicinity. What is
- 14 your estimated top of the Devonian here at your location
- 15 Number 9?
- 16 A Let's see --
- 17 Q Are these relatively straight holes?
- 18 A That, I don't know. Well, we estimate sub-zero on this
- 19 proposed Number 9, that it will be higher than -5100 feet;
- 20 or in other words, we anticipate that it will be 50 feet
- 21 or higher than the crestal Number 1 Well; but all I did
- 22 was just contour up to the -5100 foot line which
- 23 encompasses most or a good share of the undrained area.
- 24 So it could be that the structure goes on higher if you
- 25 wanted to contour at the same dip rate.

1 Q But you are estimating it may be 50-50?

2 A Yes, sir.

3 Q Well, now, has water always come into these wells rather
4 slowly and uniformly as the oil-water contact has risen
5 in the reservoir, or has there been any indication of any
6 encroachment of water from one direction or another or
7 even from both?

8 A It seems like the water encroachment is fairly rapid from
9 what I recall. The Number 5 started making water about
10 the middle of last year, which would be the middle of
11 1972; and before that time, it was relatively water-free.
12 So this occurs pretty rapidly.

13 Q That was another thing I was going to get into, the rates
14 of production here on the Number 4 and 5. They are down
15 to 50 and 60 barrels of oil a day now, but how long ago
16 has it been since they were producing top allowable.
17 I realize Number 1 is still producing top allowable.

18 A I can't tell you definitely.

19 Q Well, we will have the production records in our files on
20 these wells then.

21 A Yes.

22 MR. NUTTER: We would like the record to show we will
23 take note of these production records.

24 Q (By Mr. Nutter) What we are particularly interested in,
25 you may suspect, Mr. Inman, is that in the assignment of

1 a high allowable in the water drive reservoir, we are
2 concerned with the possibility of water coning in from
3 the bottom and premature encroachment from the sides.

4 A Yes, sir.

5 Q And the loss of oil, but it is your feeling that you
6 can produce 602 barrels, I guess it would be 604 barrels
7 of oil from this 40-acre tract here from these two wells?

8 A Yes, sir. I believe so.

9 Q Without causing any coning or premature encroachment of
10 water?

11 A Yes, sir. I think so as far as I know, from all
12 indications.

13 Q Now, will the 604 barrel allowable be necessary after the
14 time that the water-oil contact has reached the Number 1?
15 It wouldn't any longer be necessary then; would it?

16 A No, sir. I wouldn't think so.

17 Q It would be a single allowable at that time?

18 A Yes, sir. Of 302 barrels.

19 MR. NUTTER: Are there any other questions of Mr.
20 Inman? He may be excused. Do you have anything further,
21 Mr. Sperling?

22 MR. SPERLING: No. We don't, Mr. Examiner.

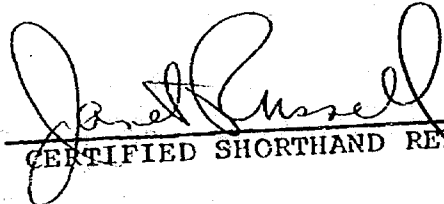
23 MR. NUTTER: Does anyone have anything they wish to
24 offer in Case 5021? We will take the case under
25 advisement and take a fifteen-minute recess.

(Whereupon, a fifteen-minute recess was taken.)


* * * * *

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, JANET RUSSELL, a Certified Shorthand Reporter, in
and for the County of Bernalillo, State of New Mexico, do
hereby certify that the foregoing and attached Transcript of
Hearing before the New Mexico Oil Conservation Commission
was reported by me; and that the same is a true and correct
record of the said proceedings to the best of my knowledge,
skill and ability.


CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5021
heard by me on 7/11, 1975.

, Examiner
New Mexico Oil Conservation Commission

dearnley, meier & associates

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

dearnley, meier & associates

200 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108I N D E XWITNESSPAGE

JOHN SEEREY

Direct Examination by Mr. Sperling

3

Cross-Examination by Mr. Nutter

11

VICTOR INMAN

Direct Examination by Mr. Sperling

13

Cross-Examination by Mr. Nutter

19

E X H I B I T SOFFEREDADMITTED

Applicant's Exhibit #1

19

19

Applicant's Exhibit #2

19

19

Applicant's Exhibit #3

19

19

Applicant's Exhibit #4

19

19

Applicant's Exhibit #5

19

19

Applicant's Exhibit #6

19

19

Applicant's Exhibit #7

19

19



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

July 24, 1973

GOVERNOR
BRUCE KING
CHAIRMAN

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

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

Re: Case No. 5021
Order No. R-4601
is Applicant:
Mobil Oil Corporation

Mr. James E. Sperling
Modrall, Sperling, Roehl, Harris
& Sisk
Attorneys at Law
Post Office Box 2168
Albuquerque, New Mexico 87103

Dear Sir:

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

Very truly yours,

A. L. Foster, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC _____ XXX
Artesia OCC _____
Aztec OCC _____

Other _____

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. 5021
Order No. R-4601

APPLICATION OF MOBIL OIL CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION
AND SPECIAL POOL ALLOWABLE, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 11, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23rd day of July, 1973, 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, Mobil Oil Corporation, seeks
authority to drill its proposed New Mexico "B" Well No. 9 at an
unorthodox location 940 feet from the North line and 1510 feet
from the East line of Section 27, Township 10 South, Range 32
East, NMPM, Mescalero-Devonian Pool, Lea County, New Mexico.

(3) That the applicant further seeks the assignment of a
special depth bracket allowable of 604 barrels of oil per day for
the Mescalero-Devonian Pool, Lea County, New Mexico.

(4) That the evidence presently available indicates that
the assignment of a special depth bracket allowable to wells in
the subject pool will not result in damage to the reservoir or
cause waste, and will be in the interest of protection of correla-
tive rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Mobil Oil Corporation, is hereby
authorized to drill its proposed New Mexico "B" Well No. 9 at an
unorthodox location 940 feet from the North line and 1510 feet
from the East line of Section 27, Township 10 South, Range 32 East,
NMPM, Mescalero-Devonian Pool, Lea County, New Mexico.

-2-

Case No. 5021
Order No. R-4601

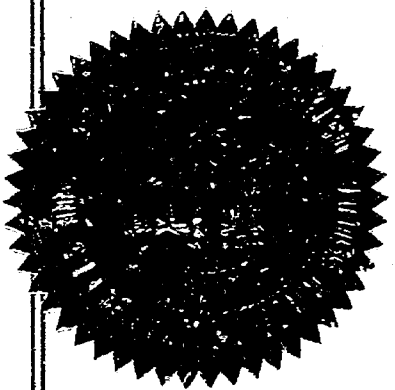
(2) That a special depth bracket allowable of 604 barrels of oil per day is hereby established as top unit allowable for the Mescalero-Devonian Pool, Lea County, New Mexico.

(3) That the Secretary-Director of the Commission may, at any time it appears that premature water encroachment or water coning is occurring, or other evidence of reservoir damage is apparent, rescind the provisions of this order and cause the top unit allowable for the Mescalero-Devonian Pool to revert to 302 barrels of oil per day.

(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



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

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 11, 1973

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:

- ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1973, from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for August, 1973.

CASE 4749: (Reopened) (Continued from the June 6, 1973, Examiner Hearing)

In the matter of Case No. 4749 being reopened pursuant to the provisions of Order No. R-4338, which order established special rules and regulations for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units. All interested parties may appear and show cause why said pool should be developed on other than 40-acre units.

CASE 5019: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the S/2 of Section 14, Township 20 South, Range 28 East, Eddy County, New Mexico, to be dedicated to a well to be drilled in an undesignated Morrow gas pool at a standard location in Unit K of said Section 14. 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 up to 200 percent charge for risk involved in drilling said well.

CASE 5020: Application of Belco Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Salt Lake-Morrow Gas Pool, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on 320-acre spacing rather than the present 160-acre spacing.

CASE 5021: Application of Mobil Oil Corporation for an unorthodox oil well location and special pool allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed New Mexico "B" Well No. 9 at an unorthodox location 940 feet from the North line and 1510 feet from the East line of Section 27, Township 10 South, Range 32 East, Mescalero-Devonian Pool,

(Case 5021 continued from page 1)

Lea County, New Mexico. Applicant further seeks the assignment of a special depth bracket allowable for said pool of 604 barrels of oil per day.

CASE 5022: Application of Skelly Oil Company for an exception to Rule 104, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to Rule 104, authority to produce its Mexico "L" Wells Nos. 1 and 23 located less than 330 feet from each other in Unit A of Section 5, Township 25 South, Range 38 East, and its Mexico "J" Wells Nos. 2 and 23 located less than 330 feet from each other in Unit O in Section 32, Township 24 South, Range 38 East, and its Mexico "J" Wells Nos. 4 and 17 located less than 330 feet from each other in Unit N of said Section 32, all in the Dollarhide-Fusselman Pool, Lea County, New Mexico, each 40-acre unit being limited to one top unit allowable.

CASE 5023: Application of Skelly Oil Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Upper and Lower San Andres formations through perforations in the intervals from 4207 feet to 4418 feet and from 4676 to 4849 feet in its Hobbs "T" Well No. 11 located in Unit P of Section 33, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.

CASE 5024: Application of Midwest Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cottonwood Spring Unit Area comprising 3838 acres, more or less, of federal and fee lands in Township 25 South, Range 26 East, Eddy County, New Mexico.

CASE 5025: Application of The Superior Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle Upper Seven Rivers gas and Lower Seven Rivers oil in the wellbore of its State "12" Well No. 1 located in Unit L of Section 12, Township 21 South, Range 35 East, Eumont Pool, Lea County, New Mexico. Said well was authorized as a gas-oil dual completion in the Eumont Pool by Commission Order DC-142.

CASE 5026: Application of The Superior Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka, Strawn and Canyon formations underlying the N/2 of Section 7, Township 23 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico. 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 150 percent charge for risk involved in drilling said well.

CASE 5027: Application of Dalport Oil Corporation for the amendment of Order No. R-4553, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4553 to provide that the well to be drilled on the proration unit pooled by said order shall be located in Unit G of Section 17, Township 12 South, Range 31 East, Chaves County, New Mexico, rather than Unit J of said Section 17. In the absence of objection, Order No. R-4553 will be amended as above.

CASE 5015: (Continued and Readvertised)

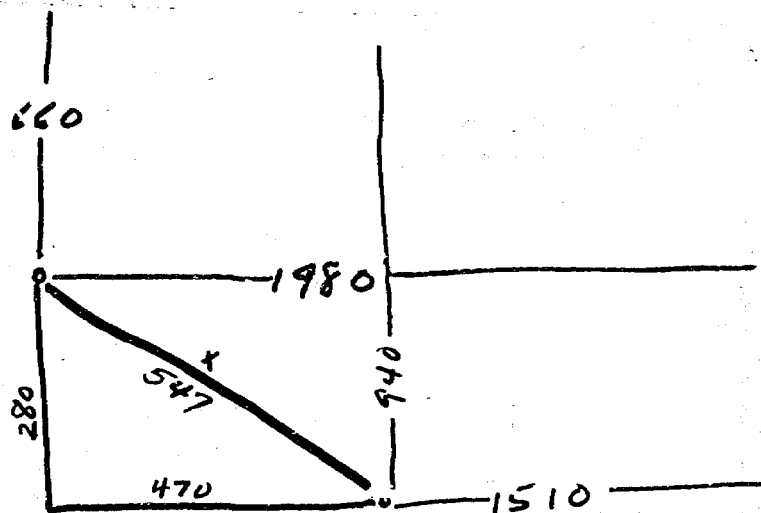
Application of Michael P. Grace II and Corinne Grace for compulsory pooling, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests down to and including the Pennsylvanian formation underlying Section 16, Township 24 South, Range 26 East, adjacent to the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, to form a standard 640-acre unit for said pool, to be dedicated to a well to be drilled at an orthodox location for said unit. 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 up to 200 percent charge for risk involved in drilling said well.

CASE 5010: (Continued from the June 27, 1973, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the Pennsylvanian formation underlying the N/2 of Section 18, Township 18 South, Range 26 East adjacent to the West Atoka Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled 1650 feet from the North line and 660 feet from the West line of said Section 18, the unorthodox location of which was previously approved by Commission Order No. R-4508. 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 up to 200 percent charge for risk involved in drilling said well.

CASE 5012: (Continued from the June 27, 1973, Examiner Hearing)

Application of Gandy Construction for an oil treating plant permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for the construction and operation of an oil treating plant for the purpose of treating and reclaiming sediment oil at a site in the SE/4 of Section 11, or the SW/4 of Section 12, Township 10 South, Range 35 East, Lea County, New Mexico.



$$\begin{array}{r} 1980 \\ 1510 \\ \hline 470 \end{array} \quad \begin{array}{r} 940 \\ 660 \\ \hline 280 \end{array}$$

$$x = \sqrt{280^2 + 470^2}$$

$$78400 \quad 220900$$

DIAGRAMMATIC WELL SKETCH
NEW MEXICO "B" Well No. 9
MESCALERO (Dev.) Pool
LEA COUNTY, NEW MEXICO

GL ELEV = 4,289'
ELEV =

12 3/4" csg. circ. cement

450'

Liner Top

4,200'

8 5/8" csg. circ. cement

4,400'

2 3/8" Tubing

Ret. Type Pkr.

BEFORE EXAMINATION	NOTES
OIL - ON FILE	
APPL EXHIBIT NO. 4	
CASE NO. 5021	

Devonian Perforations

5 1/2" Liner circ. cement

9,900' T.D.

6-28-73
1 (v)

#4

MESCALERO DEVONIAN POOL
 40-Acre
 9000-9999 feet depth range
AVERAGE ANNUAL UNIT ALLOWABLE

<u>YEAR</u>	<u>FACTOR</u>	<u>AVG. ANNUAL UNIT ALLOWABLE BOPD</u>	<u>AVG. ANNUAL POOL ALLOWABLE BOPD</u>
1952	3.77 X	47.8	180
'53		43.7	165
'54		39.6	149
'55		39.8	150
'56		39.5	149
'57		39.2	148
'58		34.4	130
'59		34.6	130
'60		34.2	129
'61		34.3	129
'62		35.3	133
'63		37.7	142
'64		38	143
'65		38.3	144
'66		45.7	172
'67		52	196
'68		58	219
'69		63.5	239
'70		71.6	270
'71		75.8	286
'72			302

BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
Appl EXHIBIT NO. 5-A
 CASE NO. 5021

MESCALERO DEVONIAN POOL

BOTTOM HOLE PRESSURE DATA

<u>DATE</u>	<u>AVERAGE BHP - psi</u>
October '52	3792
August '53	3725
July '54	3771
July '55	3726
January '56	3686
January '57	3657
July '57	3602
January '58	3660
July '58	3627
July '59	3585
July '60	3714
July '61	3599
July '62	3560
July '63	3559
July '64	3560
July '66	3480
July '67	3503
July '68	3534
July '69	3540
July '70	3570
April '72	3612

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Appel EXHIBIT NO. 5-B
CASE NO. 5021

MESCALERO DEVONIAN POOL
NUMBER OF WELLS

<u>YEAR</u>	<u>NO. OF WELLS</u>
1952	2
1953	2
1954	3
1955	5
1956	6
1957	6
1958	6
1959	6
1960	7
1961	7
1962	6
1963	6
1964	5
1965	5
1966	4
1967	3
1968	3
1969	3
1970	3
1971	3
1972	3

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Appl EXHIBIT NO. 5-C
CASE NO. 5021

MESCALERO DEVONIAN POOL

OIL PRODUCTION

<u>YEAR</u>	<u>AVERAGE PRODUCTION BARRELS OF OIL PER MONTH</u>
1953	9,950
'54	9,970
'55	18,589
'56	26,370
'57	26,490
'58	23,360
'59	22,273
'60	20,851
'61	22,406
'62	21,956
'63	21,490
'64	16,460
'65	14,988
'66	16,493
'67	17,879
'68	20,157
'69	21,860
'70	24,643
'71	26,076
'72	25,819

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
April EXHIBIT NO. 5-D
CASE NO. 5621

MESCALERO DEVONIAN POOL

WATER PRODUCTION

<u>YEAR</u>	<u>AVERAGE PRODUCTION BARRELS OF WATER PER MONTH</u>
1953	20
'54	-
'55	42
'56	361
'57	3,975
'58	-
'59	3,413
'60	14,414 ✓
'61	12,824 ✓
'62	239
'63	74
'64	4,501
'65	4,119
'66	188
'67	0
'68	0
'69	0
'70	0
'71	0
'72	7,671

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Appl EXHIBIT NO. 5-E

CASE NO. 5021

MESCALERO DEVONIAN POOL

CUMULATIVE PRODUCTION

<u>YEAR</u>	<u>OIL PRODUCTION BBLs</u>	<u>COMBINED TOTAL OIL AND WATER PRODUCTION BBLs</u>
1953	134,023	135,473
'54	253,659	255,109
'55	476,725	478,680
'56	793,163	799,452
'57	1,111,039	1,165,030
'58	1,391,351	1,445,342
'59	1,658,621	1,753,786
'60	1,908,839	2,176,977
'61	2,177,711	2,599,742
'62	2,441,184	2,866,083
'63	2,699,063	3,124,845
'64	2,896,593	3,376,393
'65	3,076,451	3,605,682
'66	3,274,361	3,805,843
'67	3,488,910	4,020,392
'68	3,730,797	4,262,279
'69	3,993,115	4,524,597
'70	4,288,835	4,820,317
'71	4,601,745	5,133,227
'72	4,911,571	5,535,110

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Appl EXHIBIT NO. 5-F

CASE NO. 5021

MESCALERO DEVONIAN POOL

CURRENT PRODUCTION DATA

YEAR	AVERAGE PRODUCTION BARRELS OF OIL PER MONTH	CUMULATIVE OIL PRODUCTION BBLs	COMBINED TOTAL OIL AND WATER PRODUCTION BBLs
January 1972	27,886	4,629,631	5,161,113
February "	26,440	4,656,071	5,187,553
March "	28,254	4,684,325	5,215,807
April "	27,305	4,711,630	5,243,112
May "	28,197	4,739,827	5,271,309
June "	27,560	4,767,387	5,310,655
July "	28,123	4,795,510	5,349,834
August "	28,592	4,824,102	5,389,596
September "	22,472	4,846,574	5,420,829
October "	22,619	4,869,193	5,452,344
November "	20,732	4,889,925	5,490,608
December "	21,646	4,911,571	5,535,110
January 1973	18,109	4,929,680	5,573,225
February "	18,380	4,948,060	5,611,908
March "	15,463	4,963,523	5,660,489
April "	13,791	4,977,314	5,702,344
May "	14,016	4,991,330	5,745,426

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

Appl EXHIBIT NO. 5-6
CASE NO. 5021

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

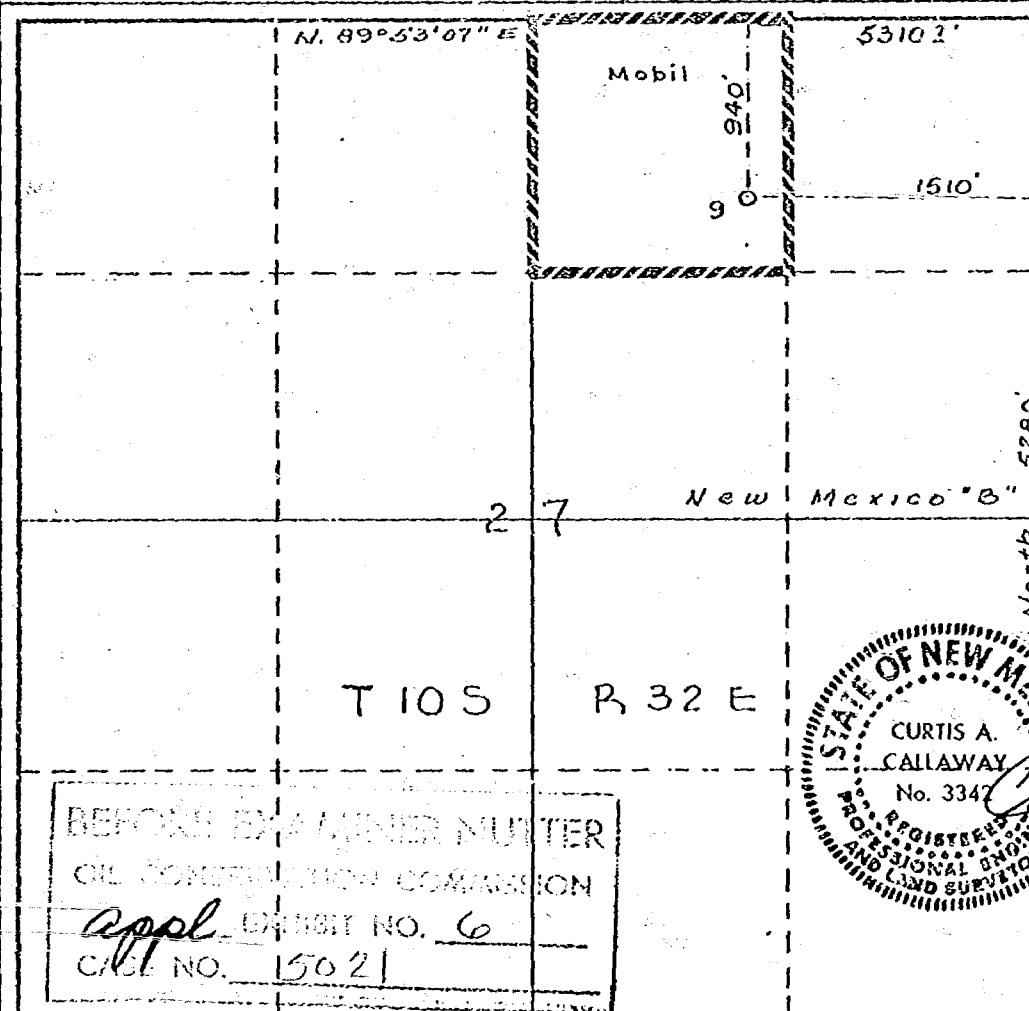
Operator Mobil Oil Corporation		Lease New Mexico "B"		Well No. 9
Unit Letter B	Section 27	Township 10S	Range 32E	County Lea
Actual Footage Location of Well:				
940	feet from the	North	line and	1510
				feet from the
				East
Ground Level Elev. 4289	Producing Formation Devonian	Pool Mescalero Devonian	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
John H. Seerey
Position
Associate Engineer
Company
Mobil Oil Corporation
Date
July 5, 1973

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
June 12, 1973
Registered Professional Engineer and/or Land Surveyor

Curtis A Callaway
Certificate No.
3342

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease	STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.	E-1311

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work	DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Unit Agreement Name	
b. Type of Well	OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Farm or Lease Name	New Mexico "B"
2. Name of Operator	Mobil Oil Corporation	9. Well No.	9
3. Address of Operator	P. O. Box 633, Midland, Texas 79701	10. Field and Pool, or Wildcat	Mescalero Devonian
4. Location of Well	UNIT LETTER B LOCATED 940 FEET FROM THE North LINE AND 1510 FEET FROM THE East LINE OF SEC. 27 TWP. 10S RGE. 32E NMPM	12. County	Lea
19. Proposed Depth	9900'	19A. Formation	Devonian
20. Rotary or C.T.	Rotary	21. Elevations (Show whether DE, RT, etc.)	4289 Gr. Elev.
21A. Kind & Status Plug. Bond	On File	21B. Drilling Contractor	
22. Approx. Date Work will start			

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
15"	12 3/4	34#	450	Circ.	Surface
11"	8 5/8	24#	3300		
11"	8 5/8	28#	4400	Circ.	Surface
7 7/8"	5 1/2 (liner)	15.5#	7800		
7 7/8"	5 1/2 (liner)	17#	9900	Circ.	4100

BLOWOUT PREVENTERS:

Casing String	Equip. Size & API Series	No. & Type	PSI
Surface	12" 600	Dual w/blank & pipe rams	500
Intermediate	8" 600	Dual w/ blank & pipe rams	2000

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 7
CASE NO. 5021

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM, IF PROPOSED AS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed John H. Seerey John H. Seerey Title Associate Engineer Date July 6, 1973
(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

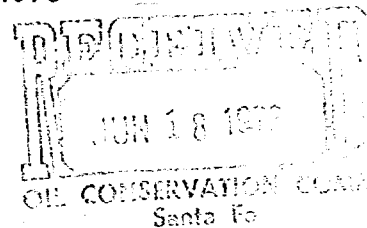
Mobil Oil Corporation

P.O. BOX 633
MIDLAND, TEXAS 79701

June 15, 1973

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. A. L. Porter, Jr.



APPLICATION OF MOBIL OIL CORPORATION
FOR APPROVAL OF AN UNORTHODOX LOCATION
AND SPECIAL ALLOWABLE FOR THE
MESCALERO DEVONIAN OIL POOL,
NEW MEXICO "B" NO. 9 WELL,
MESCALERO DEVONIAN OIL POOL,
LEA COUNTY, NEW MEXICO

Gentlemen:

R32E Mobil Oil Corporation respectfully requests that a hearing be set to consider an exception to the Commission's Rule 104 (C)(1) for approval to drill the proposed New Mexico "B" #9 well at an unorthodox location in Unit B, 940 ft from the north line and 1510 ft from the east line of Section 27, T-10-S, R-35-E, Lea County, New Mexico. Mobil further requests that this hearing consider the assignment of a special depth bracket allowable of 604 barrels of oil per day for the Mescalero Devonian Oil Pool, to replace the current depth bracket allowable of 302 barrels of oil per day.

The Mescalero Devonian Oil Pool was discovered in 1952 and was fully developed with seven wells by 1960. The attached Mescalero Devonian Structure map shows the subject pool to be a high relief structure with a probable down-to-east fault on the east flank. As of now, there are only three remaining wells producing in this strong water drive reservoir. These wells are Mobil's New Mexico "B" wells nos. 1, 4 and 5. Wells no. 4 and no. 5 have responded to the active water drive and have high water cuts. Well No. 1, presently the highest well structurally in this pool, is still producing reasonably free of water.

In Mobil's opinion, it will be necessary to drill an unorthodox infill development well on the apex of the Devonian structure in order to recover the trapped crestal oil that will not be drained by the down-dip wells. For this reason, Mobil is hereby making application for the proposed New Mexico "B" No. 9 well at an unorthodox location in Unit B, 940 ft from the north line and 1510 ft from the east line of Section 27, T-10-S, R-35-E, Lea County, New Mexico.

32

DOCKET MAILED

Date 6-28-73

NMOCC
Santa Fe, NM

-2-

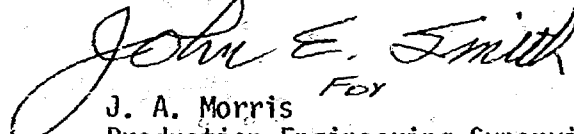
June 15, 1973

Since the above described unorthodox location does fall on the same 40-acre proration unit as the presently completed New Mexico "B" No. 1 Devonian well, Mobil further believes that it is necessary to request the assignment of special allowable considerations for the Mescalero Devonian Oil Pool. As economic justification for the proposed infill development well and for other development necessary in order to attain maximum recovery of the remaining reserves in this pool, Mobil is hereby requesting the assignment of a special depth bracket allowable of 604 barrels of oil per day for the Mescalero Devonian Oil Pool, to replace the current depth bracket allowable of 302 barrels of oil per day.

We believe that the proposed unorthodox location and special allowable can be produced without causing damage to the reservoir and without causing surface or underground waste. Conversely, we believe that the requests herein are necessary to prevent underground waste and that no correlative rights will be violated.

We respectfully request that this matter be set for hearing on the July 11, 1973 docket. If any further information is necessary, please advise.

Yours very truly,


J. A. Morris *For*
Production Engineering Supervisor

JHSeerey/cs
Attachments

cc: NMOCC - Dist. 1, Hobbs
J. E. Sperling

DRAFT

dr/

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:

APPLICATION OF MOBIL OIL CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION
AND SPECIAL POOL ALLOWABLE, LEA
COUNTY, NEW MEXICO.

CASE NO. 5021

Order No. R-4601

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 11, 1973,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of July, 1973, 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, Mobil Oil Corporation, seeks
authority to drill its proposed New Mexico "B" Well No. 9 at an
unorthodox location 940 feet from the North line and 1510 feet
from the East line of Section 27, Township 10 South, Range 32 East,
NMPM, Mescalero-Devonian Pool, Lea County, New Mexico.

-2-

Case No. 5021
Order No. R-

(3) That the applicant further seeks the assignment of a special depth bracket allowable of 604 barrels of oil per day for the Mescalero-Devonian Pool, Lea County, New Mexico.

(4) That the evidence presently available indicates that the assignment of a special depth bracket allowable to wells in the subject pool will not result in damage to the reservoir or cause waste, and will be in the interest of protection of correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, *Mobil Oil Corporation* ~~Amoco Production Company~~, is hereby authorized to drill its proposed New Mexico "B" Well No. 9 at an unorthodox location 940 feet from the North line and 1510 feet from the East line of Section 27, Township 10 South, Range 32 East, NMPM, Mescalero-Devonian Pool, Lea County, New Mexico.

(2) That ~~the applicant is hereby given approval of~~ a special depth bracket allowable of 604 barrels of oil per day is hereby established as top unit allowable for the Mescalero-Devonian Pool, Lea County, New Mexico.

(3) That the Secretary-Director of the Commission may, at any time it appears that premature water encroachment or water coning is occurring, or other evidence of reservoir damage is apparent, rescind the provisions of this order and cause the top unit allowable for the Mescalero-Devonian Pool to revert to 302 barrels of oil per day.

(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.

Mobil Oil Corp

unorthodox loc
special allow

Mescalero Dev. Oil Lea Co.

NM (B) Well No 9

940' FNL
1510' FEL

27-T10S-R35E

depth bracket allowance ⁶⁰⁴~~600~~ BOPD

Mescalero
replace current dba.
302