

ORyx ENERGY COMPANY-BEFORE  
 EXAMINER, **CATANACH**  
 N.M. OIL CONSERVATION DIVISION  
 CASE NO. **9954**  
 EXHIBIT NO. **1**  
 DATE **5 30 90**

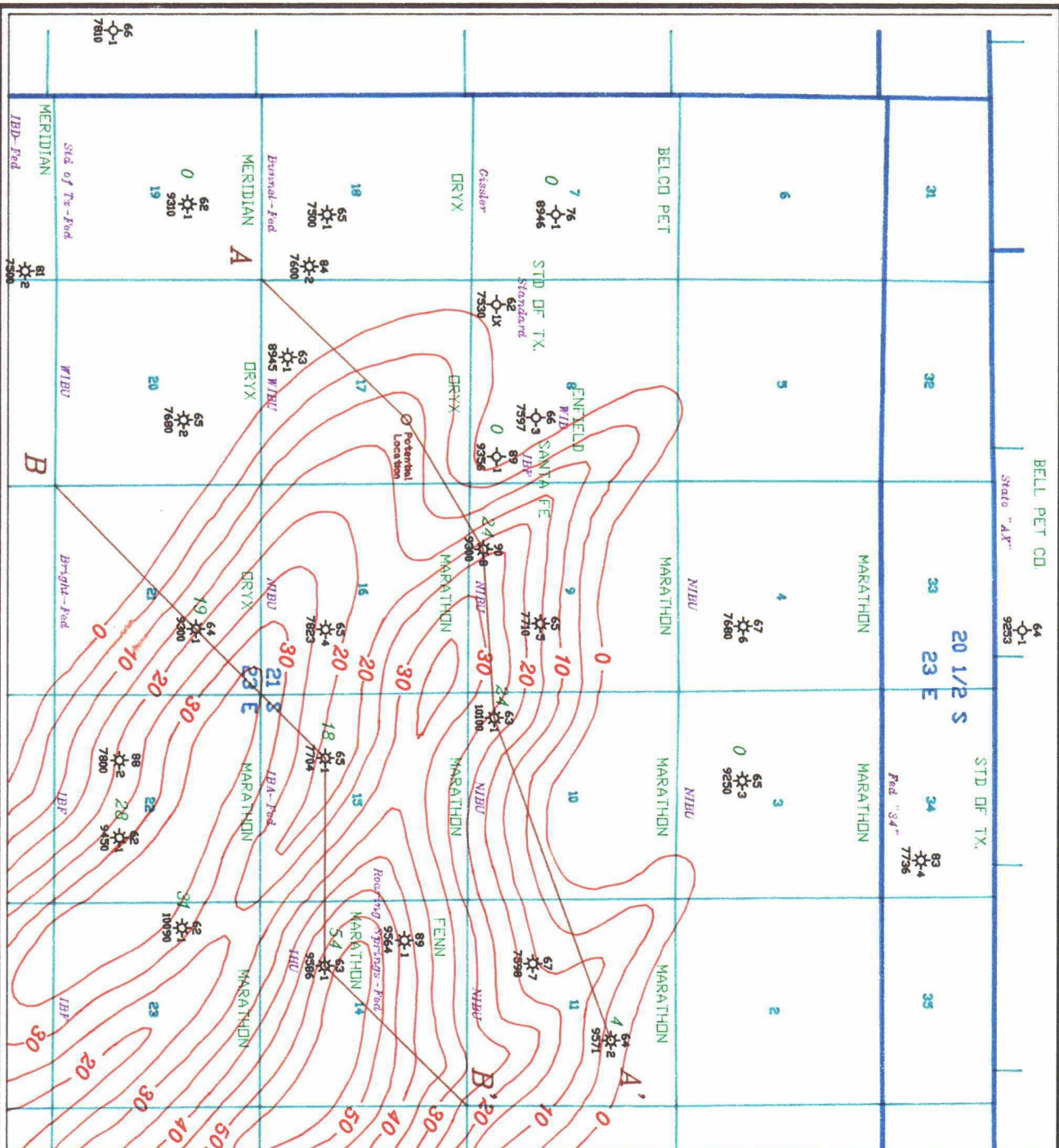
Completion Date  
 ⚡ Well #  
 TD

**ORyx** Oryx Energy Company  
**INDIAN BASIN FIELD**  
**EDDY CO. NEW MEXICO**

**STRUCTURE - TOP OF 2nd MEMBER 1 NORTH**  
 Prepared by DAVID ROJAS Date 5/90 Scale 1" = 4000'  
 Interpreted by AUTOCAD  
 SOUTHWESTERN File MARHRNG4.DWG  
 Comments Cross-Sections represented by brown lines.







ORyx ENERGY COMPANY-BEFORE  
 EXAMINER: CATANACH  
 N.M. OIL CONSERVATION DIVISION  
 CASE NO. 9954 DATE 5 30 90  
 EXHIBIT NO. 3

Completion  
 Date  
 Well #  
 TD

**ORyx Energy Company**

**INDIAN BASIN FIELD**  
**EDDY CO. NEW MEXICO**

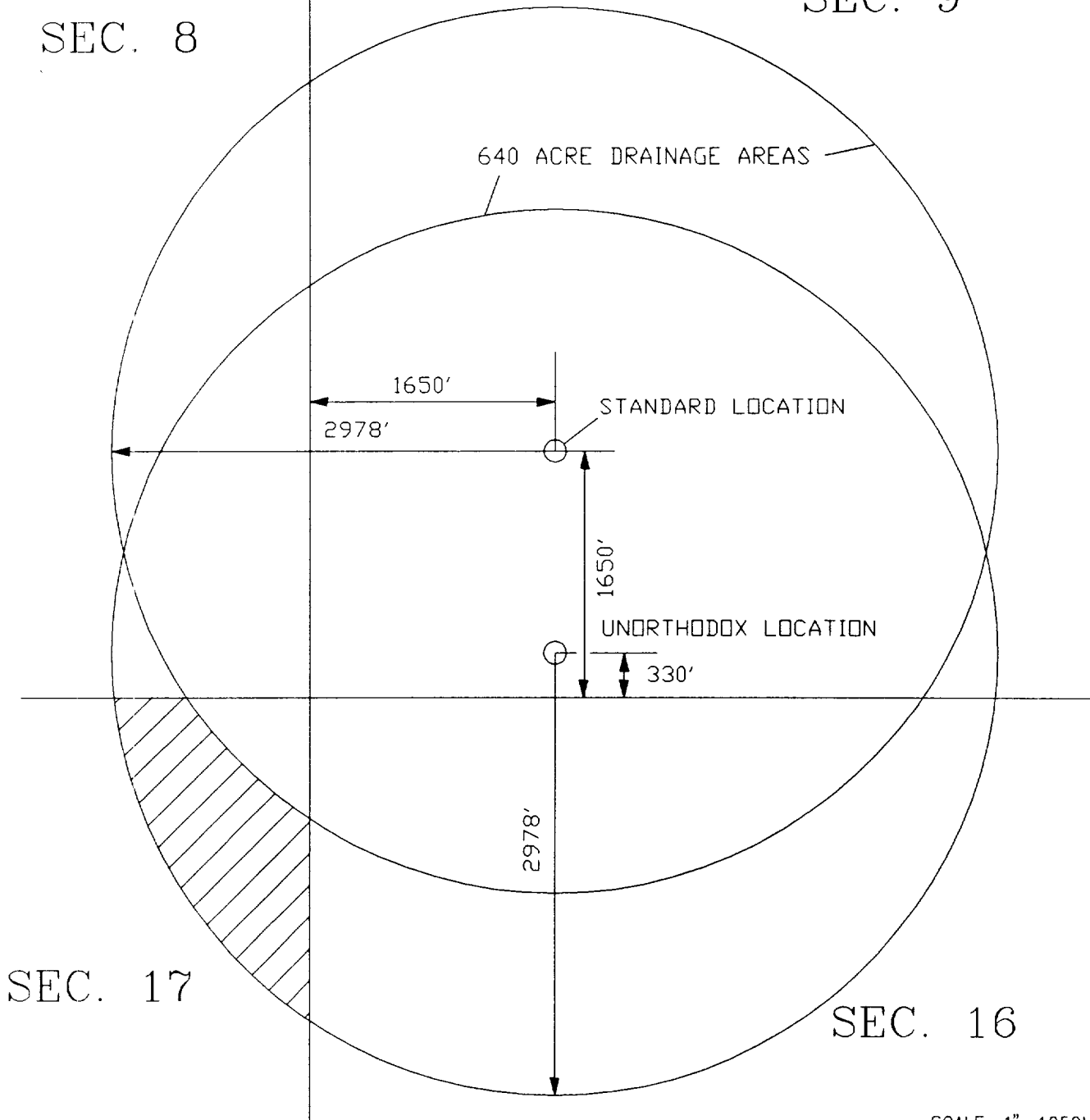
Horizontal GR API-60 ISOPACH OF 2nd MEMBER L MORROW  
 Interpretation by DAVID ROJAS 5/90  
 Scale 1" = 4000' Feet  
 Digitized by AUTOCAD  
 File MARHRNG4.DWG

Comments: Cross-Sections represented by brown lines.

SEC. 8

SEC. 9

640 ACRE DRAINAGE AREAS



SEC. 17

SEC. 16

SCALE: 1"=1250'



AREA IN SECTION 17 THAT WOULD  
 BE DRAINED BY MOVING FROM A  
 STANDARD LOCATION TO THE  
 UNORTHODOX LOCATION WITH NO  
 PENALTY



ORYX

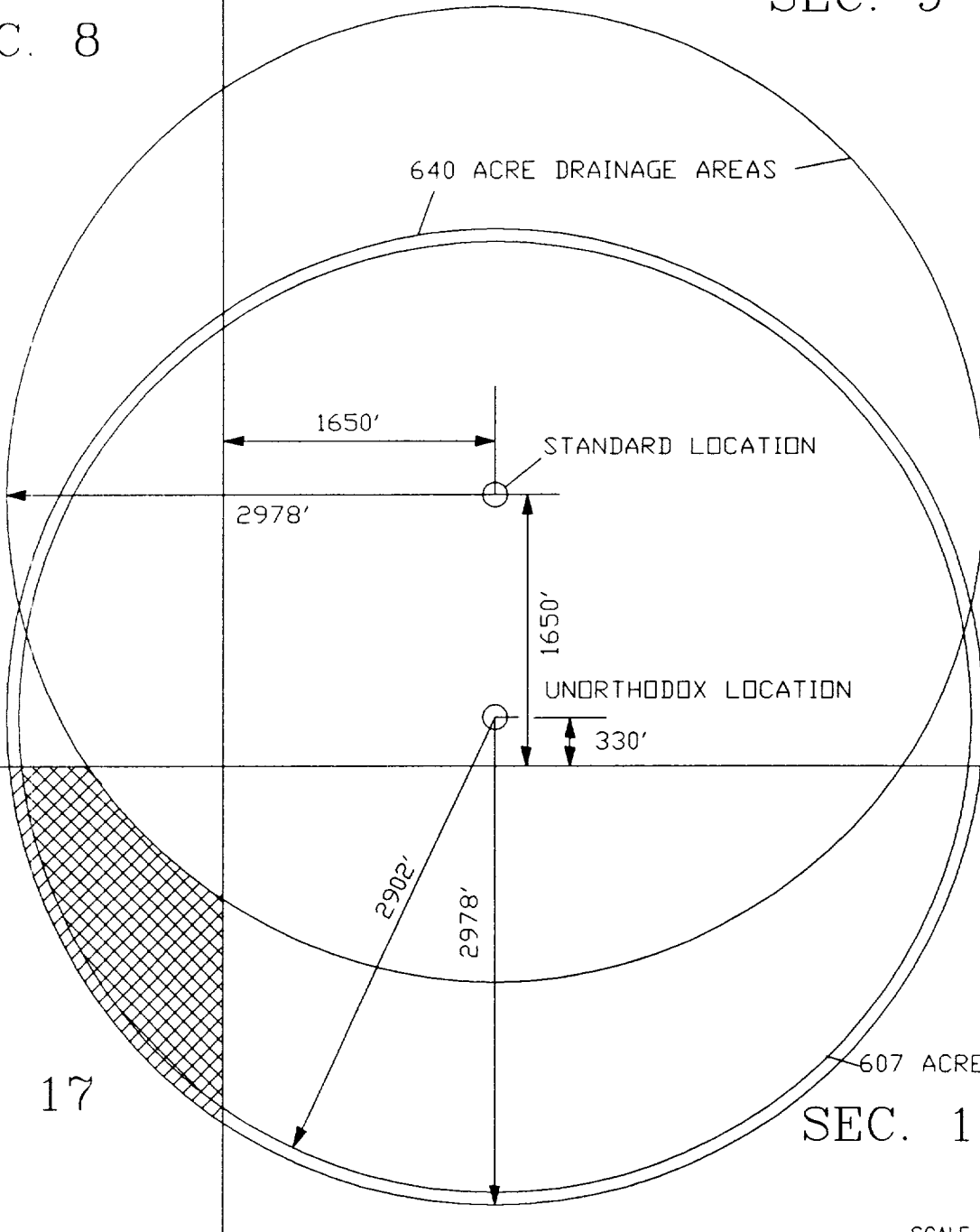
Oryx Energy Company

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 BEFORE EXAMINER CATANACH  
 MAY 30 1990  
 EXHIBIT NO. 5

SEC. 8

SEC. 9

640 ACRE DRAINAGE AREAS



SEC. 17

607 ACRE DRAINAGE AREA

SEC. 16

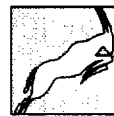
SCALE: 1" = 1250'



AREA IN SECTION 17 THAT WOULD BE DRAINED BY MOVING FROM A STANDARD LOCATION TO THE UNORTHODOX LOCATION WITH NO PENALTY



AREA IN SECTION 17 THAT WOULD BE DRAINED BY MOVING FROM A STANDARD LOCATION TO THE UNORTHODOX LOCATION WITH A 5% PENALTY



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EXHIBIT NO. 6

SEC. 8

SEC. 9

640 ACRE DRAINAGE AREAS

1650'

STANDARD LOCATION

2978'

550 ACRES DRAINAGE AREA

1650'

UNORTHODOX LOCATION

330'

2762'

2978'

SEC. 17

SEC. 16

SCALE: 1"=1250'



AREA IN SECTION 17 THAT WOULD BE DRAINED BY MOVING FROM A STANDARD LOCATION TO THE UNORTHODOX LOCATION WITH NO PENALTY



AREA IN SECTION 17 THAT WOULD BE DRAINED BY MOVING FROM A STANDARD LOCATION TO THE UNORTHODOX LOCATION WITH A 14% PENALTY



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MAY 30 1990

EXHIBIT NO. 7

SEC. 8

SEC. 9

640 ACRE DRAINAGE AREA

349 ACRE DRAINAGE AREA

STANDARD LOCATION

UNORTHODOX LOCATION

1650'

2978'

1650'

330'

2200'

SEC. 17

SEC. 16

SCALE: 1"=1250'



AREA IN SECTION 17 DRAINED BY A STANDARD LOCATION WITH A FULL ALLOWABLE



AREA IN SECTION 17 DRAINED BY THE UNORTHODOX LOCATION WITH A 45% PENALTY



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VOLUMETRIC CALCULATIONS  
FOR A PRORATED GAS RESERVOIR

$$A = \pi r^2 / 43560$$

$$\text{ULTIMATE RECOVERY} = QL = 43560 \phi (1-SW) (B_{gi}-B_{ga}) HA$$

$$\frac{Q_1 L = 43560 \phi (1-SW) (B_{gi}-B_{ga}) HA_1}{Q_2 L = 43560 \phi (1-SW) (B_{gi}-B_{ga}) HA_2}$$

$$\frac{Q_1}{Q_2} = \frac{A_1}{A_2} = \frac{\pi r_1^2}{\pi r_2^2} = \frac{r_1^2}{r_2^2}$$

$$Q_2 = Q_1 \frac{r_2^2}{r_1^2}$$

$$Q_2 = \frac{(2200)^2 Q_1}{(2978)^2}$$

$$Q_2 = .55 Q_1$$

WHERE: A = DRAINAGE AREA (ACRES)  
r = DRAINAGE RADIUS (FT.)  
Q = PRODUCTION RATE (MCFPD)  
L = LIFE (DAYS)  
 $\phi$  = POROSITY  
SW = WATER SATURATION  
B<sub>gi</sub> = INITIAL GAS VOLUME FACTOR (SCF/CF)  
B<sub>ga</sub> = GAS VOLUME FACTOR AT ABANDONMENT (SCF/CF)  
H = FORMATION THICKNESS (FT)



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# RECOMMENDED PENALTY

BASIS: EQUAL DRAINAGE OF OFFSETTING LEASE

$$1 - \frac{(2200)^2}{(2978)^2} = .45$$

PENALTY = 45%



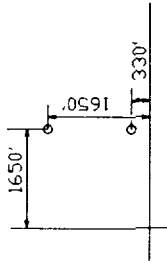
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EXHIBIT NO. 10

GEOMETRIC CONFIGURATION



BASIS FOR PENALTY METHOD

VARIANCE FROM STANDARD SETBACKS

$$\frac{(1650 - 330) + (1650 - 0)}{1650 + 1650} = .40$$

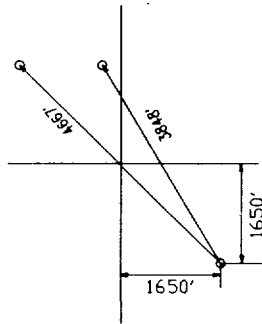
STRAIGHTFORWARD AND UNIVERSALLY APPLICABLE

PENALTY

40%

COMMENTS

WELL-TO-WELL DISTANCE

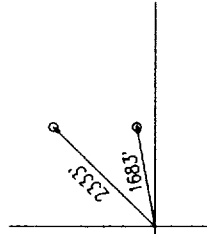


$$1 - \frac{3848}{4667} = .175$$

17.5%

INVALID BOUNDARY CONDITIONS - WELL DRILLED AT INTERSECTION OF LEASE LINES WOULD SUFFER ONLY A 50% PENALTY

LEASE-TO-WELL DISTANCE

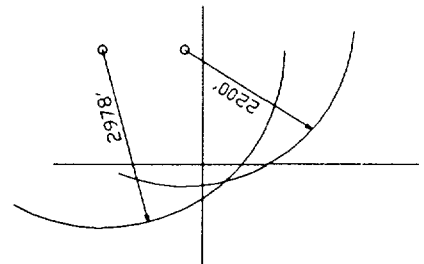


$$1 - \frac{1683}{2333} = .279$$

27.9%

ALREADY ADDRESSES DIAGONAL OFFSET WITHOUT NECESSITATING FURTHER ADJUSTMENT

EQUAL DRAINAGE OF OFFSETTING LEASE



$$1 - \frac{(2200)^2}{(2978)^2} = .45$$

45%

MOST ACCURATE



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MAY 30 1990

EXHIBIT NO. //