

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

MATTHEW BACA
DEPUTY SECRETARY

February 6, 1992

CAMBELL & BLACK
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10412
ORDER NO. R-9487-B

Dear Sir:

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

Sincerely,

Florene'

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM Carlsbad Office
James Bruce
Tom Kellahin

VILLAGRA BUILDING - 408 Gallisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail

Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800

'91 NOV 4 AM 8 57

October 29, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Case 10412
ms

Attn: Mr. Mike Stogner

Request for Hearing Date of November 21, 1991

MW Petroleum Corporation/Apache Corporation respectfully requests that its application to amend the acreage factor assigned to the Smith Federal Gas Com #2 by Division Order No. R-9487, be set for examiner hearing on the November 21, 1991, docket.

This application is to revise the previously approved acreage factor of 0.49. This acreage factor is used for allowable purposes. MW Petroleum/Apache is requesting the revision based on test information obtained during completion operations and on the revised well location provided by Order R-9487-A. This information influences the calculation of the acreage factor.

The original Division Order R-9487 dated May 8, 1991, provided for a bottom hole location 330' FWL and 1800' FNL of Section 12. The amended Order R-9487-A dated September 6, 1991, authorized a well location 480' FWL and 2049' FNL. The Smith Federal Gas Com #2 was drilled in October 1991 at the location provided by the amended Order R-9487-A and this location is less unorthodox than that provided for by the original order.

The Smith Federal Gas Com #2 was drilled as a replacement well for the Smith Federal Gas Com #1 which was believed to have watered out due to water encroachment. As a result of testing the Smith Federal Gas Com #2 it is now believed that the Smith Federal Gas Com #1 watered out due to a casing leak and not from water encroachment. The highest estimated gas/water contact is -3600' subsea.

MW Petroleum requests that the NMOCD amend the acreage factor to 0.775. This number is calculated by the average of two different techniques as follows:

(1) Productive Acreage Method

Amount of acreage updip of -3600' subsea in Section 12 T-22-S
R-23-E:

= 500 acres or 78% of the section (500 acres over 640 acres)

(2) Two Circle Method

The % difference in acreage lying outside the 640-acre unit for a 500-acre circle with its center at the proposed location and the same size circle with its center at the nearest regular location:

$$= (212/500) - (95/500)$$

$$= 0.42 - 0.19$$

= 0.23 or 77% of the proposed drainage pattern is within the correlative rights of the gas unit.

The average of the two factors is 0.775.

Should any questions come up regarding this application, please call me at (713) 953-5306.

Sincerely yours,

Ceci Searls Leonard

Ceci Searls Leonard
Senior Staff Reservoir Engineer

MW PETROLEUM CORPORATION

October 29, 1991

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

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Senior Staff Reservoir Engineer

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

ANNIE-LAURIE COOGAN
PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
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SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 12, 1991

HAND-DELIVERED

RECEIVED

NOV 18 1991

OIL CONSERVATION DIV.
SANTA FE

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

10412

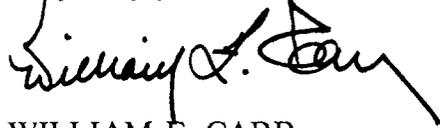
Re: In the Matter of the Application of MW Petroleum Corporation/Apache Corporation to Amend Division Order No. R-9487-A, Eddy County, New Mexico

Dear Mr. LeMay:

MW Petroleum Corporation/Apache Corporation respectfully requests that this matter which is currently set on the Division docket for the November 21, 1991 hearings be continued to the December 5, 1991 Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

cc: Jim Bruce, Esq.
W. Thomas Kellahin, Esq.
Ms. Ceci Leonard

"TELECOPIED AND MAILED"
"HAND-DELIVERED"

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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OCT 29 1991

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TELEPHONE: (505) 988-4421
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October 29, 1991

HAND-DELIVERED

Case 10412

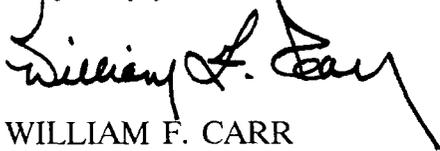
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Re: In the Matter of the Application of MW Petroleum Corporation/Apache Corporation for Amendment of Division Order No. R-9487-A, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of MW Petroleum Corporation/Apache Corporation in the above-referenced case. MW Petroleum Corporation/Apache Corporation respectfully requests that this matter be placed on the docket for the November 21, 1991 Examiner hearings.

Very truly yours,


WILLIAM F. CARR

WFC:mlh
Enclosures

cc w/enclosures: Ms. Ceci Leonard
Senior Staff Reservoir Engineer
MW Petroleum Corporation
500 City West Blvd., Suite 400
Houston, Texas 77042