

Case Number

4432

Application
Transcripts.

Small Exhibits

ETC.

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 30, 1970

EXAMINER HEARING

IN THE MATTER OF:

Application of MWJ Production
Company for an unorthodox oil
well location, Lea County,
New Mexico.

Case No. 4432

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

I N D E XPageDAVID RATHJEN

Direct Examination by Mr. Kellahin
Cross Examination by Mr. Nutter

3
16

E X H I B I T SOffered and
Admitted

Applicant's Exhibits Nos. 1 & 2
(Previously marked)

15

MR. NUTTER: The Hearing will come to order, please. The first case this afternoon will be Case No. 4432.

MR. HATCH: Case NO. 4432, Application of MWJ Production Company for an unorthodox well location, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin of Kellahin and Fox, Santa Fe, appearing for the Applicant. We have one witness I would like to have sworn.

(Whereupon, the witness was sworn on oath.)

DAVID RATHJEN

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A My name is David Rathjen.

Q By whom are you employed and in what position, Mr. Rathjen?

A I am employed by MWJ Production Company as their geologist.

Q Where are you located?

A In Midland, Texas.

Q Have you ever testified before the Oil Commission or one of its Examiners and made your qualifications a matter of record?

A Yes, I have.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. NUTTER: Yes, they are.

BY MR. KELLAHIN:

Q Mr. Rathjen, are you familiar with the Application of MWJ Producing Company in Case No. 4432?

A Yes, I am.

Q Briefly, what is proposed by the Applicant in this case?

A MWJ is requesting that the Commission give approval to drill a test well in an unorthodox location in the Baum-Penn Field. This location is to be 2310 from the south line and 990 from the west line of Section 5, 14 South 33 East.

Q Referring to what has been marked as the Applicant's Exhibit No. 1, would you identify that Exhibit, please?

A Yes, that Exhibit is our area map and is a map

that is showing the current existing wells in the area and also the lease ownership.

Q The area that is colored in yellow, is that common ownership?

A Yes, it is, and that is the common ownership that is of interest to us before this meeting.

Q Is the MWJ the owner of the operating rights on that lease?

A Yes.

Q Is the basic royalty interest identical throughout?

A Yes, it is.

Q And overriding royalties?

A Yes.

Q It is all a common ownership?

A That's true.

Q What other information is shown on that Exhibit?

A We also have the well locations, the proposed well locations, circled in red.

Q There appears to be another well on that same 40-acre tract, is that correct?

A Yes, that is correct, and that will be the key well that we will present our request on, that is the

Coastal States 5-1 and is an abandoned producing well.

Q Now, in connection with the ownership, there appears to be a small tract down in the center of that yellow area which says, "Coastal States." That does not reflect an ownership in the west half of Section 5, does it?

A No, it does not. I believe on close examination you will see an arrow that is pointing that Coastal States name to another lease.

Q In other words, the offsetting acreage of Section 6?

A Yes.

Q Now, referring to what has been marked as Exhibit No. 2, would you identify that Exhibit?

A Exhibit No. 2 is a blue-line paper print that consists of two cross-sections and a contoured map of the Bough "C" porosity which is the main producing horizon in this field.

As pointed out earlier, we are interested in an unorthodox location for a test well in the southwest quarter of Section 5.

The contours on top of the Bough "C" porosity at a 25-foot interval, it shows the strike is essentially

east-west in this immediate area with a dip to the south of approximately 100 feet per mile.

The map also shows two red lines, A-A Prime which is the cross-section on the far left of the Exhibit and B-B Prime which is the cross-section next to the contoured map.

Before I get into those cross-sections, I would like to point out this request is based on two factors that should be kept in mind. The first one is in this immediate area, you can see that the well control is excellent, therefore, we are able to apply this control and put a proposed location in the best feasible position to obtain maximum porosity and locate it in the best structural position. That is the first factor.

The second factor is you will note the proposed location is a twin to an abandoned well, therefore, being that close, we have to consider the possibilities of mechanical troubles, for instance, of maybe getting into the old hole while we are drilling and also completion attempts.

With those two factors in mind, let's look to the A-A Prime Cross-section. You will note we go from Coastal States 6-1 Well in the northeast corner

of 6 in a southeast direction to the Coastal States 5-1 and then east to the MWJ State A-1. By looking at this cross-section we can observe that going from our key well, the 5-1 which is in the center of the cross-section in a northwest direction -- well, let's discuss the porosity in this key well. We have two zones of porosity, an upper and a lower. They are both good thick zones. Their porosity ranges 10 to 12 percent and as we look northwest to the Coastal States 6-1 Well, we will observe that we lose the upper porosity and half of our pay is gone. The lower zone is continuous across to the 6-1, but is considerably thinner. This well does produce out of that lower zone.

Now, to come back to our key well, let's go east and look at the MWJ-Baum State A-1. We will observe we have both porosities present. They are somewhat thinner, so we are thinning to the northwest, we are thinning with our porosity zones to the east from our key well.

Also, we might observe on the Baum State-A that it is situated on the contoured map and on the cross-section in a structurally lower position. You will

note that the lower porosity was not perforated. The reason for this is, from establishing the -- it is not an old water contact, but it is a depth at which you produce 100 percent water -- we have felt that there is a risk involved that we would be below this datum, therefore, that zone has not been perforated due to the fact that it is virtually lower than the key well.

Now, let's look north and south which would be the B-B Prime cross section. We start on the north with the MWJ State-1 and compare it to our key well. We will note both porosity zones are still present, but they have also thinned to the north as well as to the northwest. This well is structurally located to where there were no problems and there was not any question as to being concerned with an old water contact as such to where it produces 100 percent water.

As we come south to our key well which we have discussed, then we go on south to the Coastal States 8-1. This well is considerably down-dip and perforated the lower porosity zone because it was still present and swabbed 100 percent salt water. It was below our 100 percent datum at which we anticipate we will get all water.

You will notice the upper porosity is gone, so we have lost porosity as we come south.

With as good control as we have, therefore, in considering a location in the southwest quarter of Section 5, we come to the conclusion that we would like to go in a northeast direction. We want to stay as close as possible to our controlling well which had excellent porosity with the maximum thickness and net pay that we see in this immediate area. So our request is based on these factors. We want to stay far enough away that we don't have any mechanical problems and yet we want to be at the optimum location to where we can drain the southwest quarter of Section 5 without waste and as economical as possible.

Q Would you dedicate the southwest quarter of Section 5 to this well?

A Yes, I definitely would.

Q Would an orthodox location elsewhere on the lease, on the unit, adequately drain and develop the southwest quarter in your opinion?

A I don't believe it would for two factors: First, our structural position. The requested location is in the best structural place that can be found.

Secondly, we notice as we go due north--we are going northeast, but not very far -- in a northeast direction we are thinning and breaking up in porosity; northeast we are thinning in porosity; south we are losing porosity plus our structure; therefore, it is our feeling that this is the best location that could be obtained and drain that 160 acres.

Q You made reference to the abandoned well located on this same --

A (Interrupting) Yes.

Q Was that well depleted or what is the situation with regard to that?

A That well was completed in February of '68, and to my knowledge was the only flowing well for any length of time in the Baum-Penn Field. It was an excellent well. In October of 1969, they encountered hole problems. Their pipe collapsed. They tried to re-enter. In fact, they did, and rolled the casing out and began to complete the well again and the pipe collapsed again, and they made every attempt to re-enter this well and re-complete this well because it is an economical well, but they were unable to due to these factors.

Q Then, the fact that the well is abandoned is no indication that this acreage is not productive?

A Definitely not, no.

Q You are aware of the fact that the pool rules allow 150-foot tolerance for well locations as standard locations, are you not?

A Yes.

Q Would it be possible to locate within that tolerance?

A Really, and truthfully it wouldn't be because of the risk involved in perhaps going back into that old hole and also in treating -- on completing the well there is a risk of maybe communicating with the old well -- and there are some mechanics involved there that I certainly would not advise or recommend drilling that close.

Q Was there a deviation survey done on the old well?

A Yes, there was.

Q Do you know what the total cumulative deviation was on that well?

A Yes, our engineer calculated that and it was 139.25 feet, roughly 140 feet.

Q Of course, on the basis of the survey, you don't know which direction it went?

A No, we don't.

Q Would you anticipate that you might have the same degree of deviation on a new well in this area?

A I think you would have to anticipate that you would have.

Q Would that be a factor in moving it as far away from the well as you propose?

A Yes, it would, for the simple reason it may be not likely, but it could be possible, for instance, that their well would go off to, say, the north and our well might go off to the south for some odd reason. We need, I would say, the minimum distance to stay away from these considerations to get into our proposed location.

Q With the condition of that well as you know it to be, would it cause any problem if your treatment of your new well were to reach the old well bore?

A I believe there would. This gets into the completion of the well, but there are problems there that would have to be considered that might ruin the proposed location's completion.

Q Now, would a well as you propose to locate it, adequately drain the southwest quarter?

A I definitely believe it would with the porosity we can see on this 5-1 Well. There is no question in my mind and the field rules have set up that they will drain 160 acres. There is no question in my mind that this well would not do it.

Q Would it recover oil that would not otherwise be recovered?

A Yes, it would, whereas, if we move, say, in a south or southwest direction coming down-dip and getting closer to our 100 percent water line, there would be a chance in my mind that we would maybe water out prematurely. That's the reason I like this location. I think it is the best one we could get.

Q Now, that location does, in fact, crowd the north line of the southwest quarter section?

A Yes.

Q Who owns and operates the acreage immediately to the north?

A MWJ does.

Q And all of the ownership, as you have testified, is common throughout?

A That is true.

Q So if there is any resulting drainage, no one is affected other than MWJ and its royalty owners?

A Definitely not; that is true.

Q You are, in fact, moving farther away from offsetting operators?

A Yes, I think this is another good factor. I believe we will drain that southwest quarter and we are moving away from bothering anybody else's conservation or anything of this nature. I think it is perfect.

Q Were Exhibits 1 and 2 prepared by you or under your supervision?

A Yes, they were.

MR. KELLAHIN: I would like to offer in evidence Exhibits 1 and 2.

MR. NUTTER: Applicant's Exhibits Nos. 1 and 2 will be admitted in evidence.

(Whereupon, Applicant's Exhibits Nos. 1 and 2 were offered and admitted in evidence.)

MR. KELLAHIN: That completes the examination of the witness.

MR. NUTTER: Are there any questions of Mr. Rathjen?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Rathjen, what do the pool rules actually provide insofar as well locations are concerned?

A The pool rules are that a well drilled on 160 acres will adequately drain that much and that they may be spaced on any 40 acres within 150 feet of the center.

Q So any 40 is eligible within the 160?

A Yes, by the rules.

Q And although it appears that Section 5 here in particular has been developed with the wells in the northwest quarter of the quarter section, the only limitation as far as well locations are concerned is that they must be within 150 feet of the center of it, that quarter?

A Yes.

Q And in effect, what you have here is a 330-330 location from the northeast corner of this 40-acre tract?

A That's correct. I feel that if you move over to another 40 in one direction, you are going to down-dip

and not in the best ideal condition to recover all of the oil that is available and moving, say, north, into that you are getting closer to producing wells plus the fact that you have lost porosity and again, will not recover the oil that is in place.

Q What was the rate of production on that well when it was lost?

A That well had made 64,059 barrels of oil.

Q What was it producing at that time?

A I am not sure

Q It was still producing when the casing collapsed?

A Yes, it was and the rate was real good. I just can't quote the figure, but it was near allowable.

Q At any rate you still feel there is some reserves in that vicinity?

A Definitely.

MR. NUTTER: Are there any further questions of this witness?


You may be excused.

(Witness dismissed.)

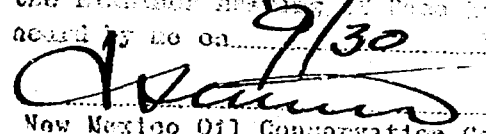
MR. NUTTER: We will take the case under advisement.

STATE OF NEW MEXICO)
) SS.
 COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.


 RICHARD L. NYE, Court Reporter

My commission expires April 8, 1971.

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the hearing held at Case No. 4432
 held by me on 9/30, 1970.

 New Mexico Oil Conservation Commission



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. 4432
Order No. R-4038

APPLICATION OF MWJ PRODUCING COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 30, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 6th day of October, 1970, 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, MWJ Producing Company, seeks an
exception to Rule 4 of the Special Rules and Regulations govern-
ing the Baum-Upper Pennsylvanian Pool, as promulgated by Order
No. R-3368-A, to permit the drilling of an oil well at an unortho-
dox location 2310 feet from the South line and 990 feet from the
West line of Section 5, Township 14 South, Range 33 East, NMPM,
Lea County, New Mexico.

(3) That the SW/4 of said Section 5 would be dedicated to
the subject well.

(4) That mechanical problems caused the abandonment of a
producing oil well at a standard location in the NW/4 SW/4 of
said Section 5.

(5) That a well drilled at the proposed non-standard loca-
tion in the NW/4 SW/4 of said Section 5 will avoid the damaged

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CASE No. 4432
Order No. R-4038

hole of the previously drilled well and is more likely to encounter more of the Baum-Upper Pennsylvanian producing section above 100% water saturation than a well drilled at a standard location in another quarter of said quarter section and should, therefore, result in greater ultimate recovery of oil from the pool.

(6) That approval of the proposed unorthodox location will not violate correlative rights and will afford the applicant the opportunity to produce its just and equitable share of the oil from the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, MWJ Producing Company, is hereby granted an exception to the well location requirements of the Baum-Upper Pennsylvanian Pool, as promulgated by Order No. R-3368-A, and is hereby authorized to drill an oil well at an unorthodox location 2310 feet from the South line and 990 feet from the West line of Section 5, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico.

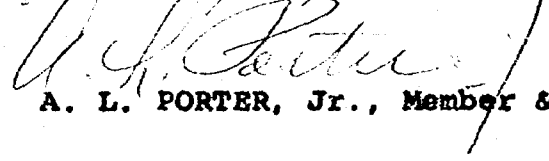
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

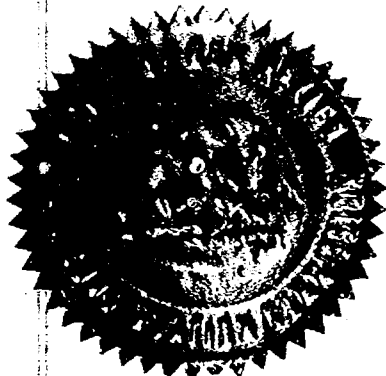
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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



esr/

Docket No. 22-70

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 30, 1970

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4416: (Continued from the September 16, 1970, Examiner Hearing)

Application of Robert L. Parker Trust for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a cooperative waterflood project in the Langlie Mattix Pool on its George L. Erwin Lease by the injection of water through its Erwin Well No. 2 located in Unit L of Section 35, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 4422: (Continued from the September 2, 1970, Examiner Hearing)

Application of Atlantic Richfield Company for amendment of Order No. R-3588, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3588, which order authorized the disposal of produced salt water into the Yates and Seven Rivers formation in the perforated and open-hole interval from 3110 feet to 3300 feet in the Sinclair ARC Federal Well No. 1 located in Unit O of Section 9, Township 20 South, Range 33 East, West Teas Pool, Lea County, New Mexico. Applicant now seeks authority to dispose into said zones in the interval from 3010 feet to 3300 feet.

CASE 4222: (Reopened)

In the matter of Case 4222 being reopened pursuant to the provisions of Order No. R-3850, which order established 80-acre spacing units for the West Sawyer-San Andres Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units and present evidence as to whether or not the subject pool is in fact an associated reservoir.

CASE 4429: Application of Union Texas Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie-Jal Unit Area comprising 3,748 acres, more or less, of federal, state, and fee lands in Townships 24 and 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 4430: Application of Union Texas Petroleum Corporation of a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Langlie-Jal Unit by the injection of water into the Seven Rivers and Queen formations through 46 wells in Townships 24 and 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

(Reopened)

CASE 4173: In the matter of Case 4173 being reopened pursuant to the provisions of Order No. R-3811-A, which order extended 80-acre spacing units and a limiting gas-oil ratio of 4000 cubic feet of gas per barrel of oil for the Hobbs-Drinkard Pool, Lea County, New Mexico, for a period of 90 days. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing, why the limiting gas-oil ratio should not revert to 2000 to one, and/or why all casing-head gas produced by wells in the pool should not be reinjected.

CASE 4420: (Continued and Readvertised)

Application of Xplor Company for the creation of a new gas pool and special rules therefor, a dual completion, and authority to commingle, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian gas pool for its Cleveland Well No. 1 located in Unit G of Section 23, Township 12 South, Range 2 East, Lea County, New Mexico, and for the promulgation of special rules therefor, including a provision for 160-acre spacing units. In the alternative, applicant seeks approval of a non-standard 160-acre gas proration unit comprising the NE/4 of said Section 23 to be dedicated to said well. Applicant also seeks authority to dually complete said well in such a manner as to produce oil from the East Caprock-Devonian Pool and gas from said Pennsylvanian formation and to commingle on the surface the liquids from said zones.

CASE 4431: Application of William A. and Edward R. Hudson for unorthodox well locations and a dual completion, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to drill a well at an unorthodox location (off pattern) 660 feet from the South line and 1980 feet from the West line of Section 15, Township 17 South, Range 32 East, Lea County, New Mexico, for the production of oil from the Baish-Wolfcamp and Maljamar-Abo Pools and to dually complete said well in the subject pools.

CASE 4432: Application of MWJ production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the rules governing the Baum-Upper Pennsylvanian Pool to permit the drilling of an oil well at an unorthodox location 2310 feet from the South line and 990 feet from the West line of Section 5, Township 14 South, Range 33 East, Lea County, New Mexico.

CASE 4433: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to permit Allied Chemical Corporation to appear and show cause why said corporation should be permitted to institute its proposed waterflood project in its Milnesand (San Andres) Unit Area, Milnesand-San Andres Pool, Roosevelt County, New Mexico, by the injection of fresh water; said corporation testified in the hearing that authorized said waterflood project that produced salt water be used for waterflooding purposes.

Examiner Hearing - September 30, 1970

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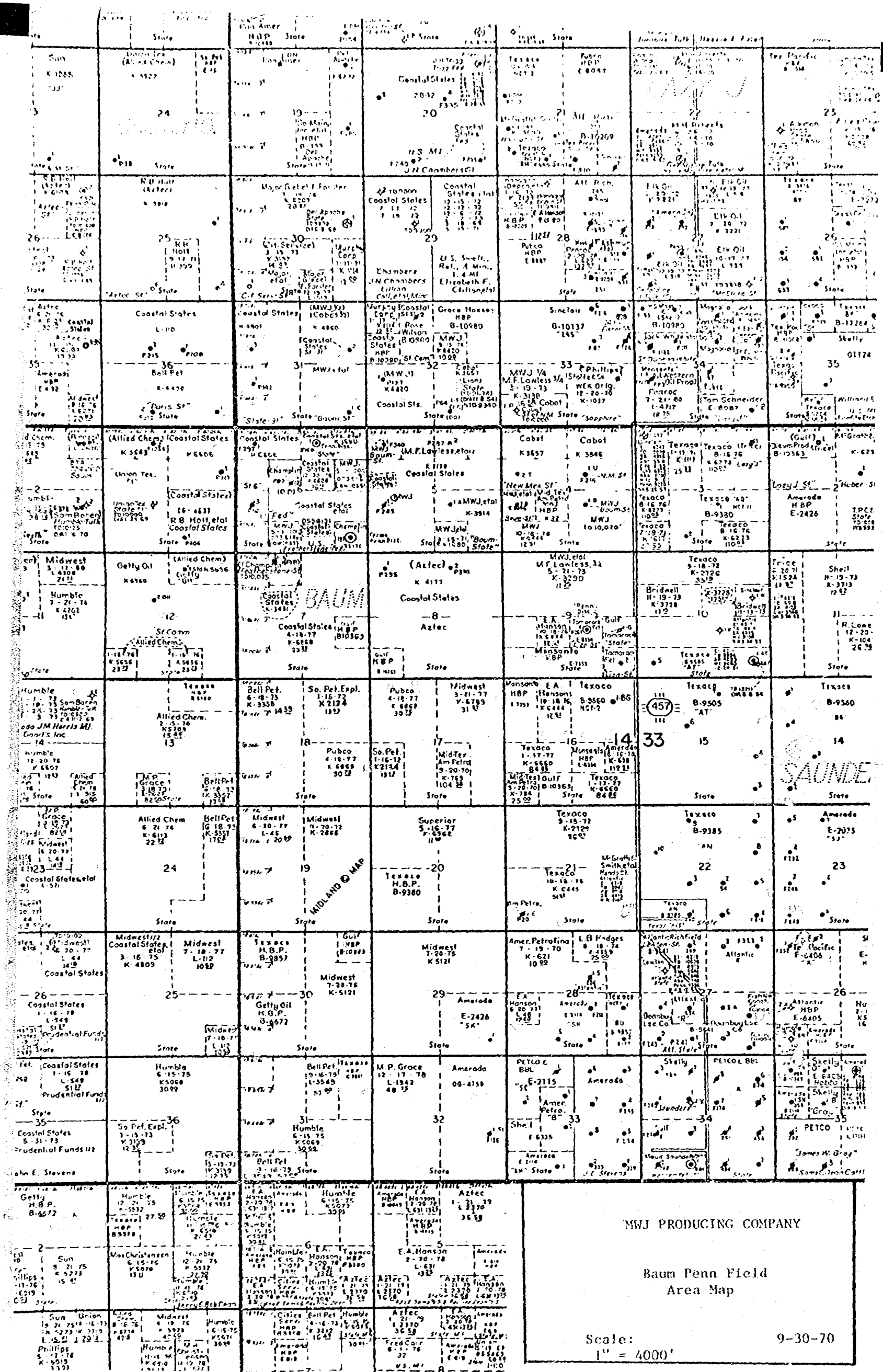
Docket No. 22-70

CASE 4423: (Continued from the September 2, 1970, Examiner Hearing)

Application of Union Oil Company of California for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to and including the San Andres formation underlying the N/2 NE/4 of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, Roosevelt County, New Mexico. Said acreage to be dedicated to a well to be drilled at an orthodox location in the NW/4 NE/4 of said Section 20. Also to be considered will be the cost of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4434: Application of Union Oil Company of California for the creation of a new gas pool and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for its Pipeline Federal Well No. 1 located in Section 4, Township 19 South, Range 34 East, Lea County, New Mexico. Applicant further seeks the promulgation of special rules therefor, including a provision for 640-acre spacing and proration units and fixed well location requirements.

CASE 4435: Application of Blackrock Oil Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Mobil Atlantic Well No. 1 located in Unit D of Section 10, Township 9 South, Range 36 East, Lea County, New Mexico, in such a manner as to produce oil from the Pennsylvanian formation through tubing and to dispose of produced salt water into the San Andres formation from 4300 feet to 5045 feet and possibly other formations between the 8 5/8-inch casing shoe at 4153 feet and the top of the cement at 9205.



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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
MWJ PRODUCING COMPANY FOR APPROVAL
OF AN UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

Case 4432

A P P L I C A T I O N

Comes now MWJ Producing Company and applies to the Oil Conservation Commission of New Mexico for approval of an unorthodox well location in the Baum-Upper Pennsylvanian Pool, formerly the Baum-Wolfcamp Pool, Lea County, New Mexico, and in support thereof would show the Commission:

1. Pool rules for the Baum-Upper Pennsylvanian Pool, as contained in Commission order R-3368-A provide that each well drilled in the Baum-Upper Pennsylvanian Pool shall be drilled on a standard proration unit of 160 acres, and shall be located within 150 feet of the center of a governmental quarter-quarter section.

2. Applicant proposes to drill at a location 2310 feet from the South line, and 990 feet from the West line of Section 5, Township 14 South, Range 33 East, N.M.P.M., dedicating the said well the Southwest quarter of said Section 5.

3. It is necessary to move the location of said well to avoid encountering an abandoned well located in the same 40-acre tract. Experience in the field indicates that wells deviate from the vertical, and safety in making a well comple-

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Date 9-18-70

tion, and for mechanical reasons, it is necessary to move said well location.

4. The acreage to the North and East of the proposed well location is operated by applicant, and the location as proposed is farther from offset operators than would be a standard well location on the west side of the unit to be dedicated to the well, and the correlative rights of other operators and interest owners will not be impaired.

5. Attached hereto and made a part of this application is a plat showing the proposed well location and lease ownership and offsetting lease ownership, to the best of applicant's information and belief.

WHEREFORE applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order approving the well location as prayed for.

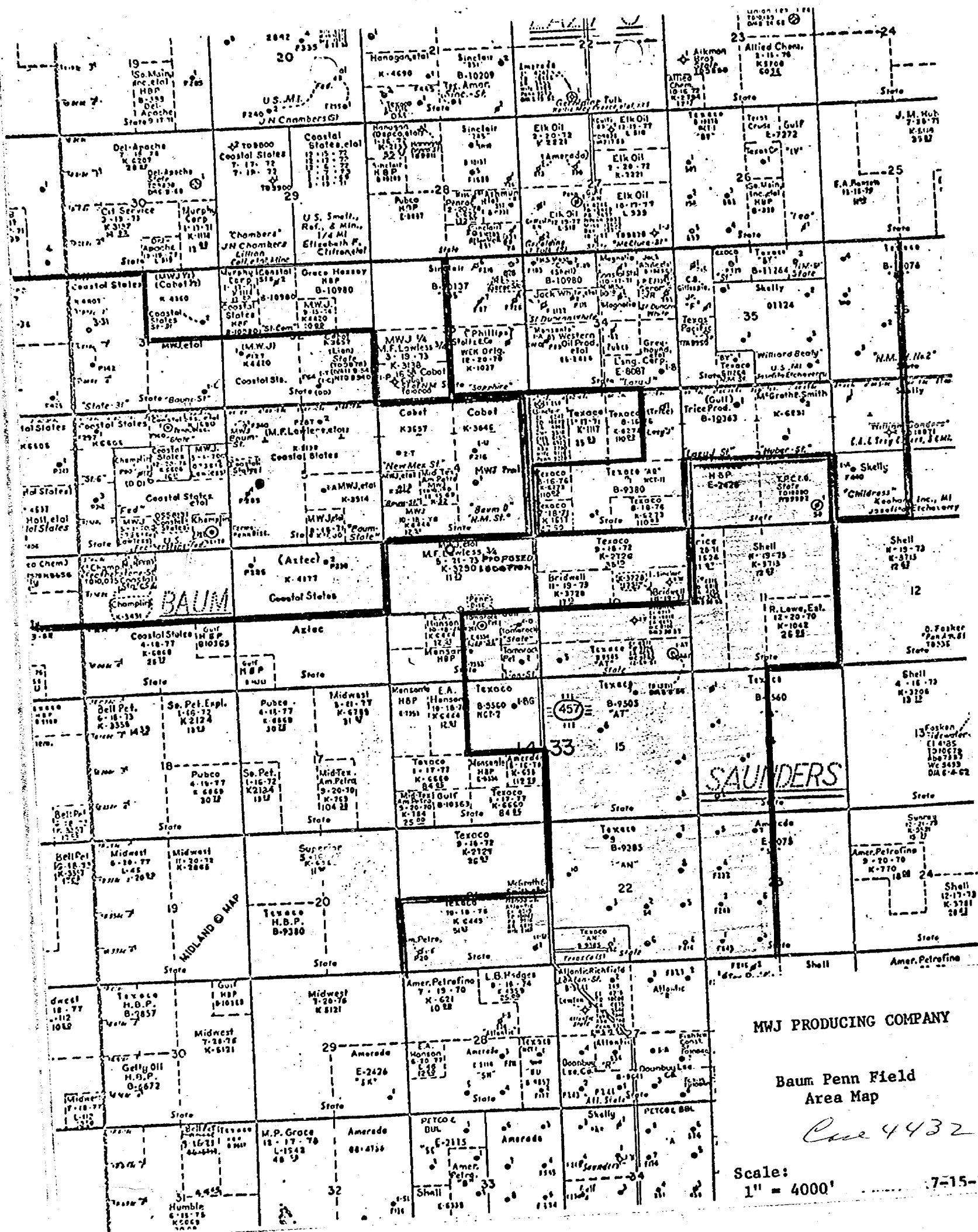
Respectfully submitted,

MWJ PRODUCING COMPANY

By

Jason W. Kellah
KELLAHIN & FOX
P. O. Box 1769
Santa Fe, New Mexico

ATTORNEYS FOR APPLICANT



MWJ PRODUCING COMPANY

Baum Penn Field
Area Map

Case 4432

Scale:
1" = 4000' 7-15-70

ASD

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

B

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

JM

APPLICATION OF MWJ PRODUCING COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

4432
CASE No. ~~4385~~
Order No. ~~R-4385~~
R-4038

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30⁰⁰ a.m. on *Sept. 30* ~~July 15~~, 1970,
at Santa Fe, New Mexico, before Examiner Daniel S. Kutter.

NOW, on this _____ day of ~~July~~, 1970, 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, MWJ Producing Company, seeks an
exception to Rule 4 of the Special Rules and Regulations govern-
ing the Baum-Uppor Pennsylvanian Pool, as promulgated by Order
No. R-3368-A, to permit the drilling of an oil well at an unortho-
dox location ~~325~~ ³²⁰ feet from the ~~North~~ line and ~~120~~ ¹²⁰ feet from the
West line of Section ~~5~~, Township 14 South, Range 33 East, NMPM,
Lea County, New Mexico.

(3) That the ~~SW/4~~ ^{SW/4} of said Section ~~5~~ ⁵ would be dedicated to
the subject well.

~~(4) That the productivity of approximately 40 acres in the
southern and southwestern part of said Section 9 is doubtful in
the subject pool.~~

(4) That mechanical problems caused the
abandonment of a producing oil well at a
standard location in the NW/4 SW/4 of said Section 5.

(5) That a well drilled at the proposed non-standard location, ^{in the NW 1/4 SW 1/4 of Sec 5, T14S, R33E} will avoid the damaged hole of the previously drilled well and is more likely to encounter more of the Baum-Upper Pennsylvanian producing section above 100% water saturation than a well drilled at a standard location in another quarter ~~quarter~~ of said greater section and should, therefore, result in greater ultimate recovery of ~~oil~~ from the pool.

CASE No. ~~12345~~
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~~in the NW 1/4 SW 1/4 of Sec 5, T14S, R33E~~ That a well drilled at the proposed non-standard location is more likely to encounter more of the Baum-Upper Pennsylvanian producing section above 100% water saturation than a well drilled at a standard location, ~~for said pool and should, therefore, result in greater ultimate recovery of oil from the pool.~~

(6) That approval of the proposed unorthodox location will not violate correlative rights and will afford the applicant the opportunity to produce its just and equitable share of the oil from the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste, ~~provided the subject well receives no more than 120/160 of a standard allowable for the pool.~~

IT IS THEREFORE ORDERED:

(1) That the applicant, INW Producing Company, is hereby granted an exception to the well location requirements of the Baum-Upper Pennsylvanian Pool, as promulgated by Order No. R-3363-A, and is hereby authorized to drill an oil well at an unorthodox location ~~250~~ feet from the North line and ~~325~~ feet from the West line of Section 5, Township 14 South, Range 33 East, NMPM, Lea County, New Mexico;

~~PROVIDED, FURTHER, that the subject well shall receive no more than 120/160 of a standard allowable for the subject pool.~~

(2) 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

DAVID F. CARCO, Chairman

ALEX J. ARMISTO, Member

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

B E A L

cor/

CASE 4433: Motion of OCC to
rescind waterflood authority,
Roosevelt County.