

MW PETROLEUM  
ACREAGE FACTOR CALCULATION  
PROPOSED FEDERAL C #2

MW Petroleum is requesting that the NMOCD approve an acreage factor of 0.62 for gas allowable purposes. This number is calculated by the average of three different techniques as follows:

- (1) Productive acreage - Based on a detailed geologic evaluation, Section 35 is estimated to have 440 productive acres:

$$440/640 = 0.69 \text{ (69\% of Section)}$$

- (2) Two Circle Method - The % difference in acreage lying outside the 640-acre unit for a 440-acre circle with its center at the proposed location and the same size circle with the center at the nearest regular location:

$$(226/440) - (96/440) = 0.30$$

1 - 0.30 = 0.70 or 70% of the proposed drainage pattern is within the correlative rights of the gas unit.

- (3) Distance Ratio Method - The % distance from the lease line for the proposed unorthodox location compared to a regular location:

$$800'/1650' = 0.48 \text{ (48\% of Distance)}$$

The average of the three factors is 0.62.

NMOCD Hearing of June 3, 1993

BEFORE EXAMINER'S COURT	
OIL CONSERVATION DIVISION	
MW/APACHE	EXHIBIT NO. 5
CASE NO.	10736

MW PETROLEUM

May 24, 1993

Chevron USA, Inc  
P. O. Box 1150  
Midland, Texas 79702-1150  
Attn: Brian Huzzey

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
MW/APACHE	EXHIBIT NO. <u>6</u>
CASE NO.	<u>10736</u>

Request for Waiver of Objection  
Federal C #2  
Indian Basin (Upper Penn) Gas Pool  
Eddy County, New Mexico

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MW Petroleum Corporation, operator, is requesting your waiver of objection to MW Petroleum's application to drill a gas well at an unorthodox location in Section 35 of Township 21-S, Range 23-E, Eddy County, New Mexico.

This application has been set for hearing on June 3, 1993, at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico.

The proposed well will be a replacement gas producer for the Federal C #1, located in Unit F. This well is producing high volumes of water (in excess of 600 BWPD) and is not expected to produce in commercial quantities much longer. The proposed replacement well will be located in Unit M to the southwest of the original well at a location 800' FSL and 800' FWL of Section 35.

MW Petroleum is also requesting that the NMOCD approve an acreage factor of 0.62 for gas allowable purposes.

Numerous unorthodox location permit applications have been approved by the NMOCD in Indian Basin Field over the years. MW Petroleum believes that the drilling of this well is necessary to protect the correlative rights of it and its royalty owners. The acreage factor of 0.62 will protect the correlative rights of the offsetting interests.

If you have no objections to MW Petroleum's drilling and producing this unorthodox location, please sign and return one copy of this letter in the enclosed envelope. Should you have any questions regarding this matter, please call Ceci Leonard at (713) 296-6306.

Sincerely yours,

*Ceci Searls Leonard*

Ceci Searls Leonard  
MW Petroleum Corporation

*Chevron U.S.A. Production Co.*

\_\_\_\_\_  
Name of Company

*FL Godbold 5/26/93*

\_\_\_\_\_  
Representative's Signature and Date

# MW PETROLEUM CORPORATION

May 24, 1993

Oryx Energy Company  
P. O. Box 2880  
Dallas, Texas 75221-2880  
Attn: Tom Adams

Request for Waiver of Objection  
Federal C #2  
Indian Basin (Upper Penn) Gas Pool  
Eddy County, New Mexico

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Sincerely yours,

*Ceci Searls Leonard*

Ceci Searls Leonard  
MW Petroleum Corporation

*Oryx Energy Company*  
\_\_\_\_\_  
Name of Company

*James R. DeLoach Jr.* 5/26/93  
\_\_\_\_\_  
Representative's Signature and Date

Oryx Energy Company  
P. O. Box 2880  
Dallas, Texas 75221-2880  
Attn: Tom Adams

May 4, 1993

Notice of Hearing  
Federal C #2  
Indian Basin (Upper Penn) Gas Pool  
Eddy County, New Mexico

This letter is to advise you that MW Petroleum Corporation/Apache Corporation has made application to the New Mexico Oil Conservation Division to drill the Federal C #2 at an unorthodox location. This application is set for examiner hearing on the June 3, 1993, docket.

MW Petroleum Corporation, as the operator of Section 35, Township 21 South, Range 23 East, Eddy County, New Mexico, proposes to drill the Federal C #2 at a location 800' from the South and West lines of Section 35 to test the Indian Basin (Upper Penn) Gas Pool. An exception to the well location requirements of Rule 2(B) of the Special Rules and Regulations for the Indian Basin (Upper Penn) Gas Pool is required for the proposed location. The pool rules require a standard location to be 1650' from the outer boundary of the section.

MW Petroleum is recommending that an acreage factor of 0.68 be assigned to the proposed well for gas allowable purposes.

Upon successful completion of the proposed Federal C #2, MW Petroleum will plug and abandon the Federal C #1 wellbore.

Approval of this application will allow MW Petroleum to produce its just and equitable share of hydrocarbons underlying this spacing unit. This will result in the prevention of waste and the protection of correlative rights.

You are not required to attend this hearing, but in accordance with New Mexico Rule 1207 as one who may be affected, we are sending you this notice. Please understand that failure to appear at the hearing and become a party of record will preclude you from challenging the matter at a later date. Should you wish to discuss this application, please call me at (713) 296-6306.

Sincerely yours,

Ceci Searls Leonard  
Senior Staff Reservoir Engineer

BEFORE EXAMINER STOGNER	
OIL CONSERVATION DIVISION	
MW/APACHE	EXHIBIT NO. 7
CASE NO. 10736	

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- ☐ Addressee's Address
- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
Ken- Mcbee Corp  
U.S. Onshore Region  
Attn: Joint Int. Operations  
P.O. Box 25861  
Oklahoma City, OK 73125

4a. Article Number  
P 467 538 520

4b. Service Type  
☐ Registered  
☒ Insured  
☐ Certified  
☐ COD  
☐ Express Mail  
☐ Return Receipt for Merchandise

7. Date of Delivery  
MAY 12 1993

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)

PS Form 3811, December 1991 \*U.S. GPO: 1992-323-402

**DOMESTIC RETURN RECEIPT**

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- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
Onyx Energy Co.  
ATTN: Tom Adams  
P.O. Box 2880  
Dallas, TX 75221-0880

4a. Article Number  
P 303906 692

4b. Service Type  
☐ Registered  
☒ Insured  
☐ Certified  
☐ COD  
☐ Express Mail  
☒ Return Receipt for Merchandise

7. Date of Delivery  
MAY 12 1993

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)

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3. Article Addressed to:  
Chevron USA, Inc  
Attn: Brian Huggery  
P.O. Box 1150  
Midland, TX 79702-1150

4a. Article Number  
P 995 652 801

4b. Service Type  
☐ Registered  
☒ Insured  
☐ Certified  
☐ COD  
☐ Express Mail  
☒ Return Receipt for Merchandise

7. Date of Delivery  
MAY 10 1993

8. Addressee's Address (Only if requested and fee is paid)

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- ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
Marathon Oil Co.  
Attn: T.N. Tipton  
P.O. Box 552  
Midland, TX 79702

4a. Article Number  
P 117 754 826

4b. Service Type  
☐ Registered  
☒ Insured  
☐ Certified  
☐ COD  
☐ Express Mail  
☒ Return Receipt for Merchandise

7. Date of Delivery  
MAY 10 1993

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)

PS Form 3811, December 1991 \*U.S. GPO: 1992-323-402

**DOMESTIC RETURN RECEIPT**