

*Continental January 8, 1963
A.S.P.*

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. 2727
Order No. R-2408

APPLICATION OF CONTINENTAL OIL COMPANY
FOR ESTABLISHMENT OF SPECIAL RULES AND
REGULATIONS FOR THE OIL CENTER-BLINEBRY
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 3, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 16th day of January, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, Continental Oil Company, seeks the promulgation of Special Rules and Regulations for the Oil Center-Blinebry Pool in Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, to provide for 80-acre spacing units and uniform well spacing in said pool.

(3) That the information presently available concerning the reservoir characteristics of the Oil Center-Blinebry Pool indicates that the pool can be efficiently and economically drained on 80-acre proration units.

(4) That the evidence concerning reservoir characteristics justifies the establishment of 80-acre proration units for a temporary one-year period.

(5) That all wells previously drilled in the Oil Center-Blinebry Pool will conform to a uniform spacing pattern and that

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continued development of the pool with uniform spacing of wells will result in a more efficient depletion of the reservoir, thereby preventing waste and protecting correlative rights.

(6) That during the one-year period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(7) That this case should be reopened at an examiner hearing in January, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Oil Center-Blinebry Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
OIL CENTER-BLINEBRY POOL

RULE 1. Each well completed or recompleted in the Oil Center-Blinebry Pool or in the Blinebry formation within one mile of the Oil Center-Blinebry Pool and not nearer to or within the limits of another designated Blinebry pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of two governmental quarter-quarter sections, or lots, joined by a common bordering side and lying within a single governmental quarter-section; or, in irregular sections, lying within a single governmental quarter-section or within the northeast 160 acres or the northwest 160 acres of the irregular section.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of the unit. No non-standard unit containing less than 80 acres shall be enlarged to form a standard size unit except after notice and hearing.

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RULE 4. (a) In Township 21 South, all wells on an 80-acre proration unit shall be located in either the NE/4 or SW/4 of a governmental quarter-section; or, in irregular governmental sections, on an odd-numbered lot.

RULE 4. (b) In Township 20 South, all wells on an 80-acre proration unit shall be located in either the NW/4 or SE/4 of a governmental quarter-section.

RULE 5. No well shall be located nearer than 330 feet to the boundary line of the quarter-quarter section or lot on which it is situated.

RULE 6. An 80-acre proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.33 for allowable purposes, effective February 1, 1963. The allowable assigned to any unit containing less than 79 or more than 81 acres shall bear the same ratio to a standard 80-acre allowable as the acreage in such unit bears to 80 acres. If a proration unit contains more than one well, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

(2) That this case shall be reopened at an examiner hearing in January, 1964, at which time the operators in the subject pool may appear and show cause why the Oil Center-Blinebry Pool should not be developed on 40-acre proration units.

(3) That any operator desiring to dedicate 80 acres to a well in the Oil Center-Blinebry Pool shall file a new Form C-128 showing thereon the acreage to be dedicated to the well and a Form C-116 for a re-test of said well at a daily rate not to exceed 105 barrels of oil per day with the Commission on or before January 31, 1963.

(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

Jack M. Campbell
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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

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