

Re: Application of Gulf Oil Corporation for Approval of Two 80-Acre Non-Standard Gas Proration Units, Blinebry Gas Pool, Lea County, New Mexico

Gulf Oil Corporation hereby makes application for administrative approval of two 80-acre non-standard gas proration units, Blinebry Gas Pool, Lea County, New Mexico. It is requested that one 80-acre non-standard unit covering the S/2 SE/4 of Section 34-21S-37E be dedicated to the Mark Owen Well No. 6, located in the SW/4 SE/4 of Section 34, and the other 80-acre non-standard unit covering the N/2 SE/4 of Section 34-21S-37E be dedicated to the Mark Owen Well No. 3, located in the NE/4 SE/4 of this Section 34.

In support of this application, the following facts are submitted:

- 1. Applicant's Mark Owen Well No. 6 is now assigned a 120-acre non-standard gas proration unit covering the S/2 SE/4 and NW/4 SE/4 of Section 34-21S-37E by Administrative Order NSP-699 dated February 5, 1965.
- 2. Applicant's Mark Owen Well No. 3 was a Blinebry Oil well, however, is now reclassified as a Blinebry Gas well, and it is proposed to dedicate 80 acres to this well.
- 3. It is proposed that the 120-acre unit now attributed to Well No. 6 be reduced to 80 acres to be effective the date of connection of Well No. 3.
- 4. The proposed non-standard units each consist of contiguous quarter-quarter sections and lie wholly within a single governmental quarter section.
- 5. Each non-standard unit is reasonably presumed to be gas productive in the Blinebry Gas Pool.
- 6. The length or width of each unit does not exceed 2,640 feet.
- 7. All offset operators within 1,500 feet of each unit well have been furnished a copy of this application. Applicant owns all acreage in the quarter section in which the proposed non-standard units are located.
- 8. The attached plat shows each non-standard unit outlined in "red" with the pertinent well circled and colored in "red".

Respectfully submitted, GULF OIL CORPORATION

M. S. Taylor



cc: New Mexico Oil Conservation Commission Post Office Box 1980 Hobbs, New Mexico 88240

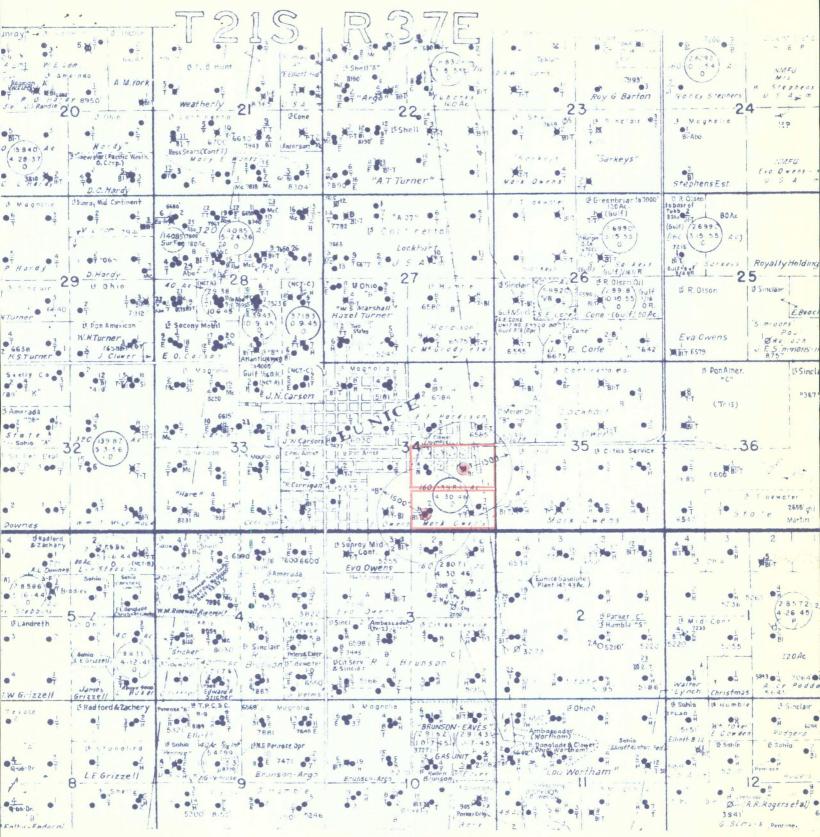
> Humble Oil & Refining Company Post Office Box 2100 Hobbs, New Mexico 88240

E. F. Moran Post Office Box 1718 Hobbs, New Mexico 88240

Marathon Oil Company Post Office Box 2107 Hobbs, New Mexico 88240

Sunray DX Oil Company Post Office Box 128 Hobbs, New Mexico 88240

Pan American Petroleum Corporation Post Office Box 268 Lubbock, Texas 79401



LEASE PLAT

MARK OWEN LEASE BLINEBRY GAS POOL Lea County, New Mexico

- LEGEND -

Proposed Non-Standard Units
Pertinent Wells

GULF OIL CORPORATION

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



OIL CONSERVATION DIVISION



January 9, 1995

Chevron U.S.A. Production Company P. O. Box 1150 Midland, Texas 79702

Attention: Lloyd V. Trautman

Administrative Order NSL-2997-A(SD)

Dear Mr. Trautman:

Reference is made to your application dated September 20, 1994 for an unorthodox Blinebry gas well location in an existing 160-acre standard gas spacing and proration unit (GPU) for said Blinebry Oil and Gas Pool comprising the SE/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. Blinebry gas production from said GPU is currently simultaneously dedicated to the Mark Owen Well No. 3 (API No. 30-025-07022), located at a standard gas well location 1980 feet from the South line and 960 feet from the East line (Unit I) of said Section 34, and to the Mark Owen Well No. 4 (API No. 30-025-07003), located at a previously approved unorthodox gas well location (Division Administrative Order NSL-2838(SD), dated July 31, 1990) 2068 feet from the South and East lines (Unit J) of said Section 34.

The subject well in this application, the Mark Owen Well No. 6 (API No. 30-025-07005), was drilled in 1947 and completed in the Drinkard formation at a standard oil well location 554 feet from the South line and 2086 feet from the East line (Unit O) of said Section 34. Our records indicate that in 1954 this well was dually completed, under the authority of Division Administrative Order DC-89, dated March 19, 1954, in a manner as to permit the production of gas from the Blinebry Oil and Gas Pool through the casing-tubing annulus and oil from the Drinkard formation through tubing. In 1973 the Drinkard and Blinebry zones were abandoned and the well was recompleted in the Paddock Pool, in 1975 the Paddock interval was abandoned and the well was again recompleted to the Drinkard formation, and in 1990 the Drinkard zone was plugged off and the Tubb interval was completed where it is currently producing gas from the Tubb Oil and Gas Pool. It is our understanding at this time that Chevron is proposing a plug-back and recompletion of this well into the Blinebry Oil and Gas Pool upon issuance of this order.

VILLAGRA BUILDING - 408 Galisteo

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

Oil Conservation 827-7131 Although no specific authorization for the unorthodox gas well location in the Blinebry Oil and Gas Pool was given the operator, this well and the Blinebry formation were the subject of several other Administrative Orders issued by the Division: NSP-699 issued on February 5, 1965; NSP-724 issued on November 8, 1965; and, NSP-841 dated July 12, 1971. By Division Administrative Order NSL-2997, dated March 13, 1991, the location of this (gas) well in the Tubb Oil and Gas Pool was approved.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Blinebry Oil and Gas Pool, as promulgated by Division Order No. R-8170, as amended, the location of the Mark Owen Well No. 6 is hereby approved as an unorthodox Blinebry gas well location.

Also, you are hereby authorized to simultaneously dedicate Blinebry gas production from the Mark Owen Well No. 6 with the Mark Owen Well Nos. 3 and 4. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

At this time both Division Administrative Orders NSP-841 and NSL-2997 shall be placed in abeyance until further notice. Further, all provisions of said Administrative Order NSL-2838(SD) shall remain in full force and affect until further notice.

Sincerely,

William J. LeMay

Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs

File: NSP-699 NSP-724 NSP-841

NSL-2997

NSL-2838(SD)