

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. 349
ORDER NO. R-139

THE MATTER OF THE APPLICATION
OF OHIO OIL COMPANY FOR AN ORDER
PERMITTING DUAL COMPLETION OF ITS
LOU WORTHAM NO. 12, SE NE 11-22S-37E,
NMPM, DRINKARD 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 March 20, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 11th day of April, 1952, the Commission, a quorum being present, having considered the testimony adduced and the records in the matter as presented at the hearing,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.

(2) That applicant's Wortham No. 12 Well, SE NE 11-22S-37E, NMPM, was completed in March, 1952, as an oil well in the Drinkard pool, bottomed at 6516 feet, and produced from the perforated interval 6440-6482, ' having drilled through the Blinbry gas zone (5388-5494).

(3) That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for successful dual or multiple completions of oil and gas wells, the Commission is unconvinced of the soundness of such dual-multiple completions as a general practice in New Mexico without specific controls over each such project.

IT IS THEREFORE ORDERED:

That, effective as of March 20, 1952, the applicant herein, the Ohio Oil Company, be and it hereby is authorized to dually complete and produce its Wortham No. 12 well, located in the SE/4 NE/4 Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner that gas from the

Blinebry formation may be produced through the annular space between the casing and tubing, and oil from the Drinkard formation through the tubing by proper perforations and installation of proper packer or packers;

PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well bore, either within or outside the casing, of gas, oil and gas, or oil produced from either or both of the separate strata, and,

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used at any time as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and,

PROVIDED FURTHER, That the operator-applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time, and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED, That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assignees to limit its activities to regular single-zone production in the interest of conservation.

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

OIL CONSERVATION COMMISSION - Signed by: Edwin L. Mechem, Chairman;
Guy Shepard, Member; R. R. Spurrier, Secretary



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 13, 1998

Marathon Oil Company
P. O. Box 2490
Hobbs, New Mexico 88240
Attention: Thomas P. Kacir

Administrative Order NSP-1795(SD)

Dear Mr. Kacir:

Reference is made to your application dated September 1, 1998 to reduce the acreage on an existing 160-acre standard gas spacing and proration unit ("GPU") in the Blinebry Oil and Gas Pool comprising the NE/4 of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, by omitting the 40 acres comprising the SW/4 NE/4 (Unit G) of Section 11 from this GPU.

Division Order NSL-3676, dated June 4, 1996, authorized the simultaneous dedication of the 160-acre unit to Marathon Oil Company's: (i) Lou Worthan Well No. 4 (**API No. 30-025-10213**) located at a standard gas well location 1980 feet from the North and East lines of Section 11; (ii) Lou Worthan Well No. 12 (**API No. 30-025-10221**), located 1980 feet from the North line and 560 feet from the East line (Unit H) of Section 11 (this location is considered to be unorthodox, however Rule 2 of the "*Special Rules and Regulations for the Blinebry Gas Pool*", as promulgated by Division Order No. R-610, "grand fathered" this location as conforming to the rules); and, (iii) Lou Worthan Well No. 21 (**API No. 30-025-33426**), located at an unorthodox gas well location (approved by Division Administrative Order NSL-3676, dated June 4, 1996) 660 feet from the North line and 1350 feet from the East line (Unit B) of Section 11.

It is our understanding that such reduction of acreage is necessary due to the reclassification of the Lou Worthan Well No. 4 to a Blinebry oil well.

By authority granted me under the provisions of Rule 2(d) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following described 120-acre non-standard gas spacing and proration unit is hereby approved:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 11: N/2 NE/4 and SE/4 NE/4.

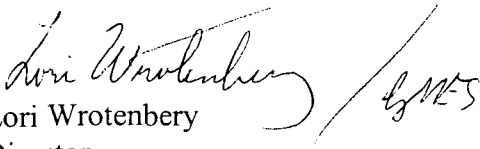
This newly established 120-acre GPU is to be simultaneously dedicated to the above-described Lou Worthan Well Nos. 12 and 21, with allowable assigned thereto in accordance with

Administrative Order NSP-1795(SD)
Marathon Oil Company
October 13, 1998
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Rule 5 of the special Blinbry Pool rules based upon the unit size of 120 acres.

That portion of Division Administrative Order NSL-3676 not in conflict with the provisions set forth in this order shall remain in full force and effect until further notice.

Sincerely,


Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSL-3676
SD-96-7 /



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

June 4, 1996

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702
Attention: Walter J. Dueease

Administrative Order NSL-3676

Dear Mr. Dueease:

Reference is made to your application dated April 26, 1996 for an unorthodox location in the: (a) Drinkard Pool; (b) Undesignated Wantz-Abo Pool; (c) Wantz-Granite Wash Pool; and, (d) Blinebry Oil and Gas Pool for Marathon Oil Company's proposed Lou Worthan Well No. 21 (API No. 30-025-33426), to be drilled 660 feet from the North line and 1350 feet from the East line (Unit B) of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

The NW/4 NE/4 of said Section 11 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit in the: (a) Drinkard Pool; (b) Undesignated Wantz-Abo Pool; and, (c) Wantz-Granite Wash Pool.

The proposed Lou Worthan Well No. 21 is to be an "infill" gas well in an existing 160-acre standard gas spacing and proration unit ("GPU") for the Blinebry Oil and Gas Pool comprising the NE/4 of said Section 11. Blinebry gas production from said GPU is currently simultaneously dedicated (by authority of Division Administrative Order SD-96-7, dated April 30, 1996) to the Lou Worthan Well No. 12 (API No. 30-025-10221), located 1980 feet from the North line and 560 feet from the East line (Unit H) of said Section 11 (this location is considered to be unorthodox, however Rule 2 of the Special Rules and Regulations for the Blinebry Gas Pool, as promulgated by Division Order No. R-610, "grandfathered" this location in as conforming to the rules); and the Lou Worthan Well No. 4 (API No. 30-025-10213), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 11.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996 and Rule 2 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool".

Administrative Order NSL-3676

Marathon Oil Company

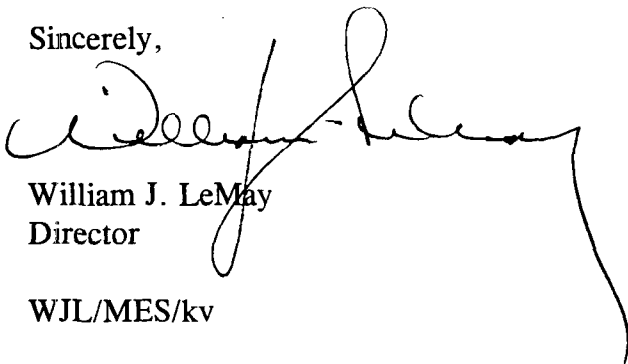
June 4, 1996

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By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox oil well location for Drinkard Pool, Undesignated Wantz-Abo Pool, and Wantz-Granite Wash Pool production within the standard 40-acre oil spacing and proration unit comprising the NW/4 NE/4 of said Section 11 is hereby approved. Further, by authority granted me under the provisions of Rule 2(c) of said special Blinebry Gas Pool rules the location of the Lou Worthan Well No. 21 is hereby approved as an unorthodox Blinebry gas well location.

Also, Marathon Oil Company is authorized to simultaneously dedicate Blinebry gas production from the Lou Worthan Well No. 21 with the Lou Worthan Well Nos. 4 and 12 and is permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: SD-96-7 ✓