

Submit 5 Copies  
 Appropriate District Office  
 DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-104  
 Revised 1-1-89  
 See Instructions  
 at Bottom of Page

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

RECEIVED  
 FEB 04 1993

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

**REQUEST FOR ALLOWABLE AND AUTHORIZATION  
 TO TRANSPORT OIL AND NATURAL GAS**

Operator <b>Chuza Operating</b>		Well API No. <b>30-025-29003</b>
Address <b>P.O. Box 953, Midland, Texas 79702</b>		
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)		
New Well <input type="checkbox"/>	Change in Transporter of:	
Recompletion <input checked="" type="checkbox"/>	Oil <input type="checkbox"/>	Dry Gas <input type="checkbox"/>
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/>	Condensate <input type="checkbox"/>
If change of operator give name and address of previous operator _____		

**II. DESCRIPTION OF WELL AND LEASE**

Lease Name <b>Gambi</b>	Well No. <b>1</b>	Pool Name, Including Formation <b>Undesignated Blinebry</b>	Kind of Lease State, Federal or <u>Fee</u>	Lease No.
Location				
Unit Letter <b>E</b>	<b>1980</b>	Feet From The <b>North</b> Line and <b>660</b>	Feet From The <b>West</b> Line	
Section <b>12</b>	Township <b>23-S</b>	Range <b>37-E</b>	<b>NMPM,</b>	Lea County

**III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS**

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
<b>Pride Pipeline Co.</b>	<b>P.O. Box 2436 Abilene, Texas 79604</b>					
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
<b>Texaco Exploration &amp; Producing, Inc.</b>	<b>P.O. Box 3000 Tulsa, Oklahoma 74102</b>					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twsp.	Rge.	Is gas actually connected?	When ?
	<b>E</b>	<b>12</b>	<b>23-S</b>	<b>37-E</b>	<b>Yes</b>	<b>1-10-93</b>

If this production is commingled with that from any other lease or pool, give commingling order number: \_\_\_\_\_

**IV. COMPLETION DATA**

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
	<input checked="" type="checkbox"/>					<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
Date Spudded <b>11-5-84</b>	Date Compl. Ready to Prod. <b>12-13-92</b>		Total Depth <b>7100'</b>			P.B.T.D. <b>5789' RBPC</b>		
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation <b>Blinebry</b>		Top Oil/Gas Pay <b>5489'</b>			Tubing Depth <b>5387'</b>		
Perforations <b>5489 - 5497, 5577 - 5579, 5599 - 5609 5689 - 5694, 5697 - 5705</b>			<b>5612 - 5630 5683 - 5685</b>			Depth Casing Shoe		
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET			SACKS CEMENT		
<b>17"</b>	<b>13-3/8"</b>		<b>1223'</b>			<b>1030</b>		
<b>11"</b>	<b>8-5/8"</b>		<b>2674'</b>			<b>700</b>		
<b>7-7/8"</b>	<b>5-1/2"</b>		<b>7100'</b>			<b>1350</b>		

**V. TEST DATA AND REQUEST FOR ALLOWABLE**

**OIL WELL** (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank <b>12-14-92</b>	Date of Test <b>1-11-93</b>	Producing Method (Flow, pump, gas lift, etc.) <b>Flow</b>	
Length of Test <b>24 hrs.</b>	Tubing Pressure <b>1440</b>	Casing Pressure <b>1565</b>	Choke Size <b>14/64</b>
Actual Prod. During Test	Oil - Bbls. <b>40</b>	Water - Bbls. <b>9</b>	Gas - MCF <b>1418</b>

**GAS WELL**

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

**VI. OPERATOR CERTIFICATE OF COMPLIANCE**

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Ann E. Ritchie  
 Printed Name **Ann E. Ritchie** Agent  
 Title \_\_\_\_\_  
 Date **2-2-93** Telephone No. **(915) 684-6381**

**OIL CONSERVATION DIVISION  
 FEB 04 1993**

Date Approved \_\_\_\_\_  
 By Jerry L. [Signature]  
 Title **DISTRICT I SUPERVISOR**

**INSTRUCTIONS:** This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
 P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
 Energy, Minerals and Natural Resources Department  
 OIL CONSERVATION DIVISION

**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

Form C-105  
 Revised 1-1-89

WELL API NO.  
 42 30-025-29003

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well:  
 OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. Type of Completion:  
 NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF RESVR  OTHER \_\_\_\_\_

2. Name of Operator  
 Chuza Operating

3. Address of Operator  
 P.O. Box 953 Midland, Texas 79702

4. Well Location  
 Unit Letter E : 1980 Feet From The North Line and 660 Feet From The West Line  
 Section 12 Township 23-S Range 37-E NMPM Lea County

7. Lease Name or Unit Agreement Name  
 Gambi

8. Well No.  
 1

9. Pool name or Wildcat  
 Undesignated Blinebry

10. Date Spudded 11-5-84  
 11. Date T.D. Reached 11-22-84  
 12. Date Compl. (Ready to Prod.) 12-14-92  
 13. Elevations (DF& RKB, RT, GR, etc.) GR 3272  
 14. Elev. Casinghead 3274

15. Total Depth 7100'  
 16. Plug Back T.D. 5789' (BP)  
 17. If Multiple Compl. How Many Zones?  
 18. Intervals Drilled By Rotary Tools Cable Tools  
 X

19. Producing Interval(s), of this completion - Top, Bottom, Name  
 5489 - 5705' Blinebry

20. Was Directional Survey Made  
 Yes

21. Type Electric and Other Logs Run  
 LDT / CNL DLT / MSFL

22. Was Well Cored  
 Yes

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	54.5	1223'	17"	1030 sx	0
8-5/8"	32	2674'	11"	700 sx	0
5-1/2"	15.5	7100'	7-7/8"	1350 sx	0

**24. LINER RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

**25. TUBING RECORD**

SIZE	DEPTH SET	PACKER SET
2-7/8"	5387'	5387'

**26. Perforation record (interval, size, and number)**  
 5489 - 5705, 59 Holes

**27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.**

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
5489 - 5705'	2800 gals. 15% NEFE
5489 - 5705'	Frac Knox AMFRAC
	86,000 # sand

**28. PRODUCTION**

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)					
12-14-92	Flowing	Producing					
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
1-11-93	24	14/64		40	1418	9	35.450
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	
1440	1565					43	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
 Sold

Test Witnessed By  
 W.K. Dean

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Ann E. Ritchie Printed Name Ann E. Ritchie Title Agent Date 2-2-93

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

### Southeastern New Mexico

T. Anhy \_\_\_\_\_ 1188 \_\_\_\_\_  
 T. Salt \_\_\_\_\_  
 B. Salt \_\_\_\_\_  
 T. Yates \_\_\_\_\_ 2670 \_\_\_\_\_  
 T. 7 Rivers \_\_\_\_\_  
 T. Queen \_\_\_\_\_  
 T. Grayburg \_\_\_\_\_  
 T. San Andres \_\_\_\_\_ 3686 \_\_\_\_\_  
 T. Glorieta \_\_\_\_\_ 5102 \_\_\_\_\_  
 T. Paddock \_\_\_\_\_  
 T. Blinebry \_\_\_\_\_  
 T. Tubb \_\_\_\_\_ 6076 \_\_\_\_\_  
 T. Drinkard \_\_\_\_\_  
 T. Abo \_\_\_\_\_ 6442 \_\_\_\_\_  
 T. Wolfcamp \_\_\_\_\_  
 T. Penn \_\_\_\_\_  
 T. Cisco (Bough C) \_\_\_\_\_

T. Canyon \_\_\_\_\_  
 T. Strawn \_\_\_\_\_  
 T. Atoka \_\_\_\_\_  
 T. Miss \_\_\_\_\_  
 T. Devonian \_\_\_\_\_  
 T. Silurian \_\_\_\_\_  
 T. Montoya \_\_\_\_\_  
 T. Simpson \_\_\_\_\_  
 T. McKee \_\_\_\_\_  
 T. Ellenburger \_\_\_\_\_  
 T. Gr. Wash \_\_\_\_\_  
 T. Delaware Sand \_\_\_\_\_  
 T. Bone Springs \_\_\_\_\_  
 T. \_\_\_\_\_  
 T. \_\_\_\_\_  
 T. \_\_\_\_\_  
 T. \_\_\_\_\_

### Northwestern New Mexico

T. Ojo Alamo \_\_\_\_\_  
 T. Kirtland-Fruitland \_\_\_\_\_  
 T. Pictured Cliffs \_\_\_\_\_  
 T. Cliff House \_\_\_\_\_  
 T. Menefee \_\_\_\_\_  
 T. Point Lookout \_\_\_\_\_  
 T. Mancos \_\_\_\_\_  
 T. Gallup \_\_\_\_\_  
 Base Greenhorn \_\_\_\_\_  
 T. Dakota \_\_\_\_\_  
 T. Morrison \_\_\_\_\_  
 T. Todilto \_\_\_\_\_  
 T. Entrada \_\_\_\_\_  
 T. Wingate \_\_\_\_\_  
 T. Chinle \_\_\_\_\_  
 T. Permian \_\_\_\_\_  
 T. Penn "A" \_\_\_\_\_

T. Penn. "B" \_\_\_\_\_  
 T. Penn. "C" \_\_\_\_\_  
 T. Penn. "D" \_\_\_\_\_  
 T. Leadville \_\_\_\_\_  
 T. Madison \_\_\_\_\_  
 T. Elbert \_\_\_\_\_  
 T. McCracken \_\_\_\_\_  
 T. Ignacio Otzte \_\_\_\_\_  
 T. Granite \_\_\_\_\_  
 T. \_\_\_\_\_

### OIL OR GAS SANDS OR ZONES

No. 1, from..... 6555 .....to..... 6940 .....  
 No. 2, from..... 5489 .....to..... 5705 .....  
 No. 3, from..... .....to.....  
 No. 4, from..... .....to.....

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....  
 No. 2, from.....to.....feet.....  
 No. 3, from.....to.....feet.....

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
0	1223	1273	Sand, Gravel				
1223	2670	1447	Red Beds, Salt				
2670	3686	1016	Dolomite, Sand				
3686	5102	1416	Dolomite, Lime				
5102	7100	1998	Dolomite, Sand				

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-101  
 Revised 1-1-89

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

RECEIVED OIL CONSERVATION DIVISION  
 P.O. Box 2088

API NO. (assigned by OCD on New Wells)

30 025 29003

DISTRICT II '92 DEC 14 AM 10:51  
 P.O. Drawer DD, Artesia, NM 88210

Santa Fe, New Mexico 87504-2088

5. Indicate Type of Lease

STATE  FEE

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL  RE-ENTER  DEEPEN  PLUG BACK

b. Type of Well:

OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

7. Lease Name or Unit Agreement Name

Gambi

2. Name of Operator

Chuzza Operating

8. Well No.

1

3. Address of Operator

1/6 Box 953, Midland, TX 79702

9. Pool name or Wildcat

Undesignated-Blinebry

4. Well Location

Unit Letter E : 1980 Feet From The N Line and 660 Feet From The W Line

Section 12 Township 22S Range 37E NMPM Lea County

10. Proposed Depth

PBTD - 6500'

11. Formation

Blinebry

12. Rotary or C.T.

rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3272' GR

14. Kind & Status Plug. Bond

one well

15. Drilling Contractor

-

16. Approx. Date Work will start

12-4-92

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17"	13 3/8"	54.5 #	1223'	1030	surface
N "	8 5/8"	32 #	2674'	700	surface
7 7/8"	5 1/2"	15.5 #	7100'	200	

Filed sundry notice 12-2-92. Propose to plug back from Cline Drinkard-Abo to test the Blinebry zone at approx. 5489-5700'. Intend to set a retrievable bridge plug at 6500'.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

*Ann E. Ritchie*

TITLE

Regulatory Agent

DATE

12-3-92

TYPE OR PRINT NAME

Ann E. Ritchie

TELEPHONE NO.

915 6846381

(This space for State Use)

APPROVED BY

*Jerry Senter*

TITLE

DISTRICT 1 SUPERVISOR

DATE

DEC 07 '92

CONDITIONS OF APPROVAL, IF ANY:

Sub. it to Appropriate  
 District Office  
 State Lease - 4 copies ✓  
 Fee Lease - 3 copies ✓

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

- Plug back -

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240 ✓

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator <i>Chuza Operating</i>			Lease <i>Gambi</i>		Well No. <i>1</i>
Unit Letter <i>E</i>	Section <i>12</i>	Township <i>23-5</i>	Range <i>37-E</i>	County <i>Lea</i>	
Actual Footage Location of Well: <i>1980</i> feet from the <i>North</i> line and <i>660</i> feet from the <i>West</i> line					
Ground level Elev. <i>3271.8</i>	Producing Formation <i>Blinebry</i>	Pool <i>Undesignated Blinebry</i>		Dedicated Acreage: <i>40</i> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
 Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

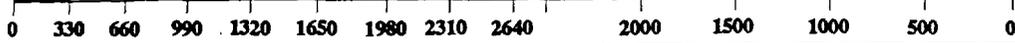
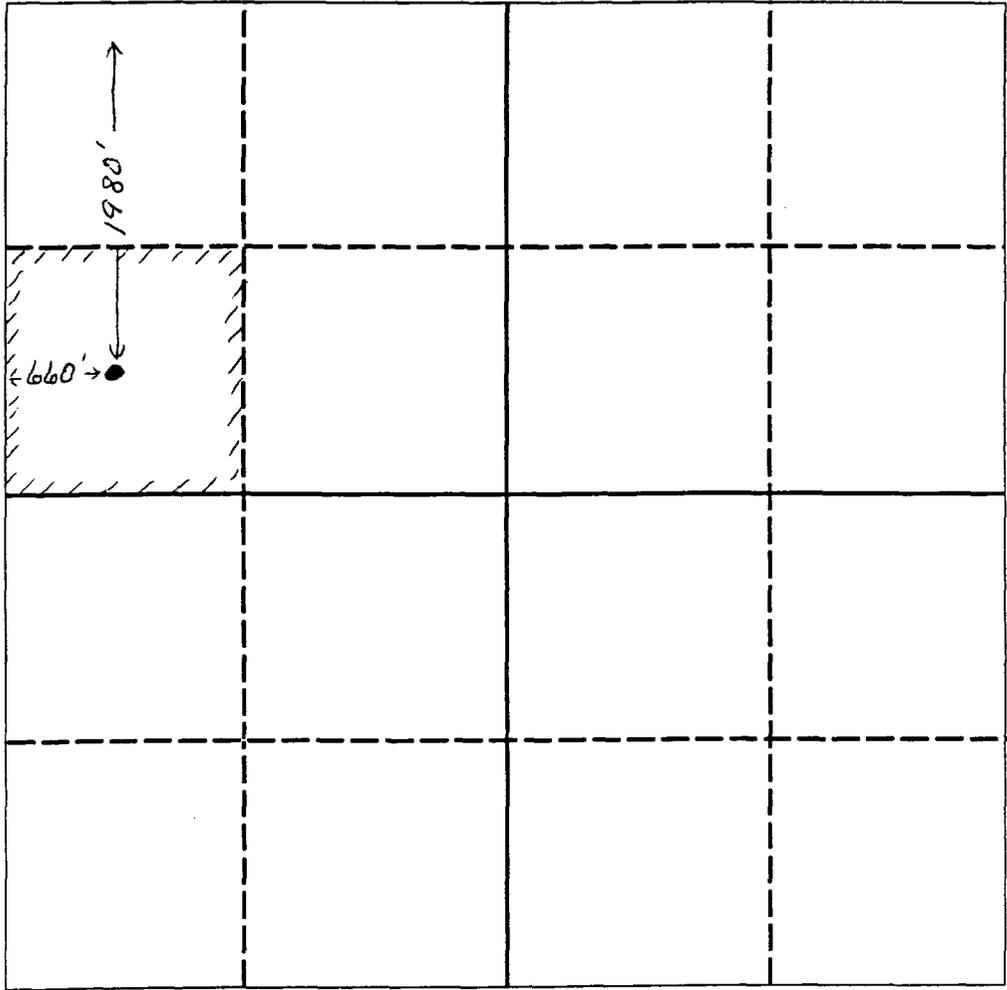
**OPERATOR CERTIFICATION**  
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
*Ann E. Ritchie*  
 Printed Name  
*Ann E. Ritchie*  
 Position  
*Regulatory Agent*  
 Company  
*Chuza Operating*  
 Date  
*12-4-92*

**SURVEYOR CERTIFICATION**  
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed \_\_\_\_\_  
 Signature & Seal of Professional Surveyor \_\_\_\_\_

Certificate No. \_\_\_\_\_



**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Superseded C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

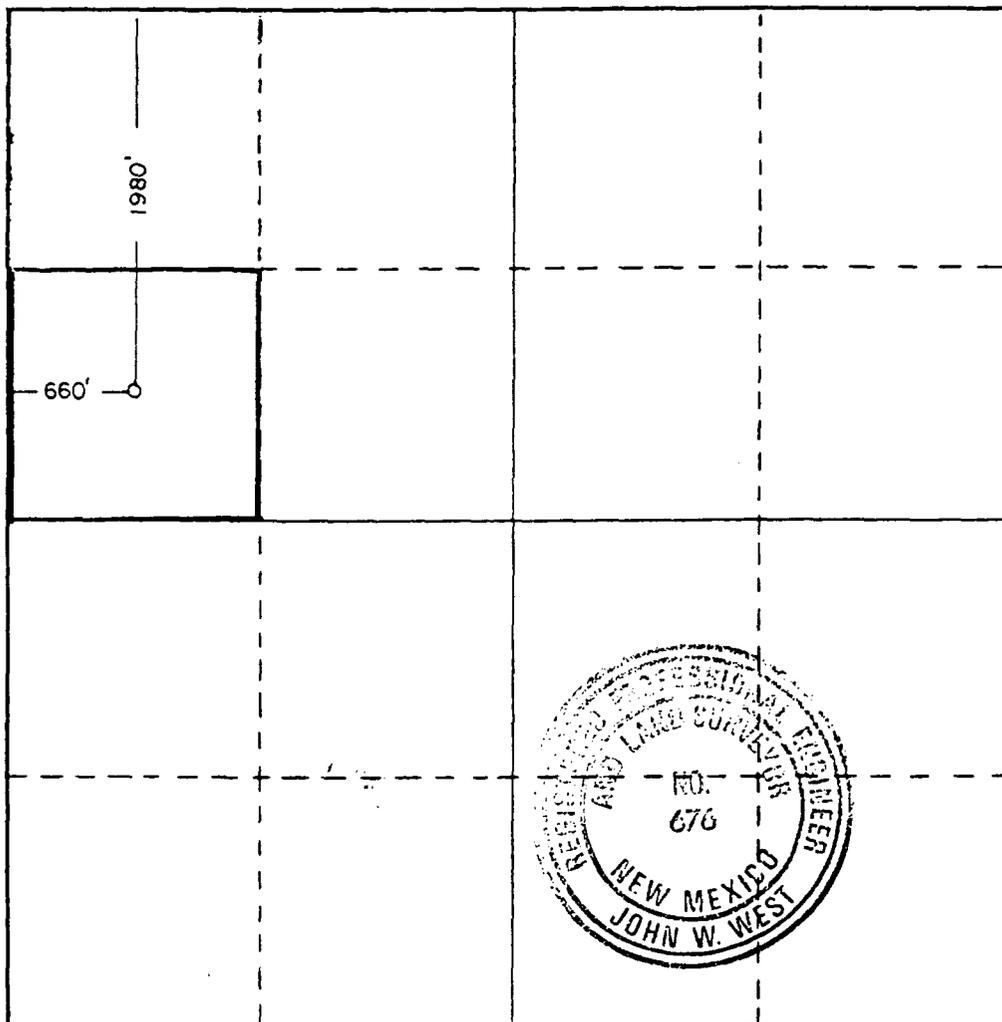
Operator <b>ELK OIL CO.</b>		Lease <b>GAMBI</b>		Well No. <b>1</b>
Unit Letter <b>E</b>	Section <b>12</b>	Township <b>23S</b>	Range <b>37E</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>1980</b> feet from the <b>NORTH</b> line and <b>660</b> feet from the <b>WEST</b> line				
Ground Level Elev. <b>3271.8</b>	Producing Formation <b>Abo</b>	Pool <b>Cline-Drinkard-Abo Pool</b>		Dedicated Acreage: <b>40</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes     No    If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

*Joseph J. Kelly*

Name  
**Joseph J. Kelly**

Position  
**President**

Company  
**ELK OIL COMPANY**

Date  
**October 18, 1984**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.*

Date Surveyed  
**10/10/84**

Registered Professional Engineer  
and/or Land Surveyor

*John W. West*

Certificate No. **JOHN W. WEST, 676**

**RONALD J. EIDSON, 3239**



Submit 3 Copies  
Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

STATE OF NEW MEXICO  
Energy, Minerals and Natural Resources Department

Form C-104  
Revised 1-1-89  
See Instructions  
at Bottom of Page

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

OIL CONSERVATION DIVISION  
RECEIVED

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

**REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS**

NOV 4 AM 9 31

**I.**

Operator <b>KELTON OPERATING CORPORATION</b>	Well API No. <b>30-025-22916</b>
Address <b>POST OFFICE BOX 3090, ROSWELL, NEW MEXICO 88202-3090</b>	
Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)	
New Well <input type="checkbox"/>	Change in Transporter of:
Recompletion <input checked="" type="checkbox"/>	Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/>
Change in Operator <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>

If change of operator give name and address of previous operator \_\_\_\_\_

**II. DESCRIPTION OF WELL AND LEASE** *Wildcat*

Lease Name <b>Lineberry</b>	Well No. <b>1</b>	Pool Name, including Formation <b>Blinebry</b>	Kind of Lease State, Federal or <u>Fee</u>	Lease No.
Location Unit Letter <b>I</b> : <b>1980</b> Feet From The <b>South</b> Line and <b>660</b> Feet From The <b>East</b> Line Section <b>11</b> Township <b>23S</b> Range <b>37E</b> , <b>NMPM</b> , <b>Lea</b> County				

**III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS**

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> <b>Sandhills Petroleum, Inc.</b>	Address (Give address to which approved copy of this form is to be sent) <b>P.O. Box 796, Monahans, Texas 79756-0796</b>			
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> <b>Texaco Exploration &amp; Production</b>	Address (Give address to which approved copy of this form is to be sent) <b>P.O. Box 1650, Tulsa, Oklahoma 74102-1650</b>			
If well produces oil or liquids, give location of tanks.	Unit <b>I</b>	Sec. <b>11</b>	Twp. <b>23S</b>	Rge. <b>37E</b>
Is gas actually connected? <b>yes</b>	When? <b>3-19-70</b>			

If this production is commingled with that from any other lease or pool, give commingling order number: \_\_\_\_\_

**IV. COMPLETION DATA**

Designate Type of Completion - (X)	Oil Well <b>X</b>	Gas Well	New Well	Workover	Deepen	Plug Back <b>X</b>	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod. <b>10-20-92</b>		Total Depth <b>6904'</b>		P.B.T.D. <b>6873'-6090</b>			
Elevations (DF, RKB, RT, GR, etc.) <b>3252' GL</b>	Name of Producing Formation <b>BLINEBRY</b>		Top Oil/Gas Pay <b>5290'</b>		Tubing Depth <b>5251'</b>			
Perforations <b>5342' - 5706' Blinebry</b>					Depth Casing Shoe			
<b>TUBING, CASING AND CEMENTING RECORD</b>								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
<b>13-3/4"</b>	<b>9 5/8"</b>		<b>850'</b>		<b>150 sxs Class C Circ</b>			
<b>8-3/4"</b>	<b>7"</b>		<b>6904'</b>		<b>575 sxs Class C</b>			

**V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL** (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

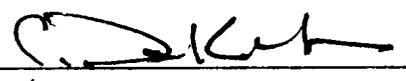
Date First New Oil Run To Tank <b>10-15-92</b>	Date of Test <b>10-20-92</b>	Producing Method (Flow, pump, gas lift, etc.) <b>Flow</b>	
Length of Test <b>24 hours</b>	Tubing Pressure <b>755#</b>	Casing Pressure <b>-0-</b>	Choke Size <b>21/64"</b>
Actual Prod. During Test	Oil - Bbls. <b>152</b>	Water - Bbls. <b>22</b>	Gas- MCF <b>756.6</b>

**GAS WELL**

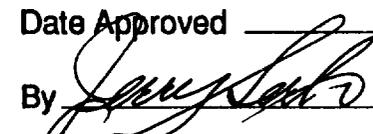
Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pitot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

**VI. OPERATOR CERTIFICATE OF COMPLIANCE**

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

  
Signature  
**C. Dale Kelton, President**  
Printed Name Title  
**10-28-92 505-622-2421**  
Date Telephone No.

**OIL CONSERVATION DIVISION**  
**NOV 04 '92**

Date Approved \_\_\_\_\_  
By   
Title **DISTRICT 1 SUPERVISOR**

- INSTRUCTIONS:** This form is to be filed in compliance with Rule 1104
- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
  - 2) All sections of this form must be filled out for allowable on new and recompleted wells.
  - 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
  - 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-101  
 Revised 1-1-89

DISTRICT I OIL CONSERVATION DIVISION  
 P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION  
 P.O. Box 2088

DISTRICT II  
 P.O. Drawer 1000, Hobbs, NM 88240

DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)  
 30-025-22916

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.  
 561666

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:  
 DRILL  RE-ENTER  DEEPEN  PLUG BACK

b. Type of Well:  
 OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

7. Lease Name or Unit Agreement Name  
 LINEBERRY

2. Name of Operator  
 KELTON OPERATING CORPORATION

8. Well No.  
 1

3. Address of Operator  
 Post Office Box 3090, Roswell, NM 88202-3090

9. Pool name or Wildcat  
 Wildcat - Blinebry

4. Well Location  
 Unit Letter I : 1980 Feet From The South Line and 660 Feet From The East Line  
 Section 11 Township 23S Range 37E NMPM Lea County

10. Proposed Depth  
 11. Formation  
 12. Rotary or C.T.

13. Elevations (Show whether DF, RT, GR, etc.)  
 3252'  
 14. Kind & Status Plug Bond  
 Single  
 15. Drilling Contractor  
 16. Approx. Date Work will start  
 10-9-92

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP

Complete to Blinebry

1. Set Bridge plug at 6090' w 20' sand on top.
2. Test plug to 3500#
3. Perforate Blinebry formation at 5342' - 5706'
4. Acidize with 4000 gallons 15% NeFe acid and test.
5. Fracture treat down 2 7/8" tubing with 36,000 gallons 50/50 CO2 and Gelled water w/ 70,000# sand.
6. Flow to clean up and test.
7. Request downhole and surface commingle of the Tubb and Blinebry formations.

6" - 900 series double ram BOP, one pipe ram and one blind ram.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE C. Dale Kelton TITLE President DATE 10-9-92  
 (505)  
 TYPE OR PRINT NAME C. Dale Kelton TELEPHONE NO. 622-242

(This space for State Use)

APPROVED BY [Signature] TITLE Geologist DATE OCT 16 '92

CONDITIONS OF APPROVAL, IF ANY:

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

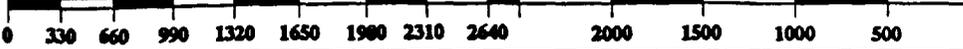
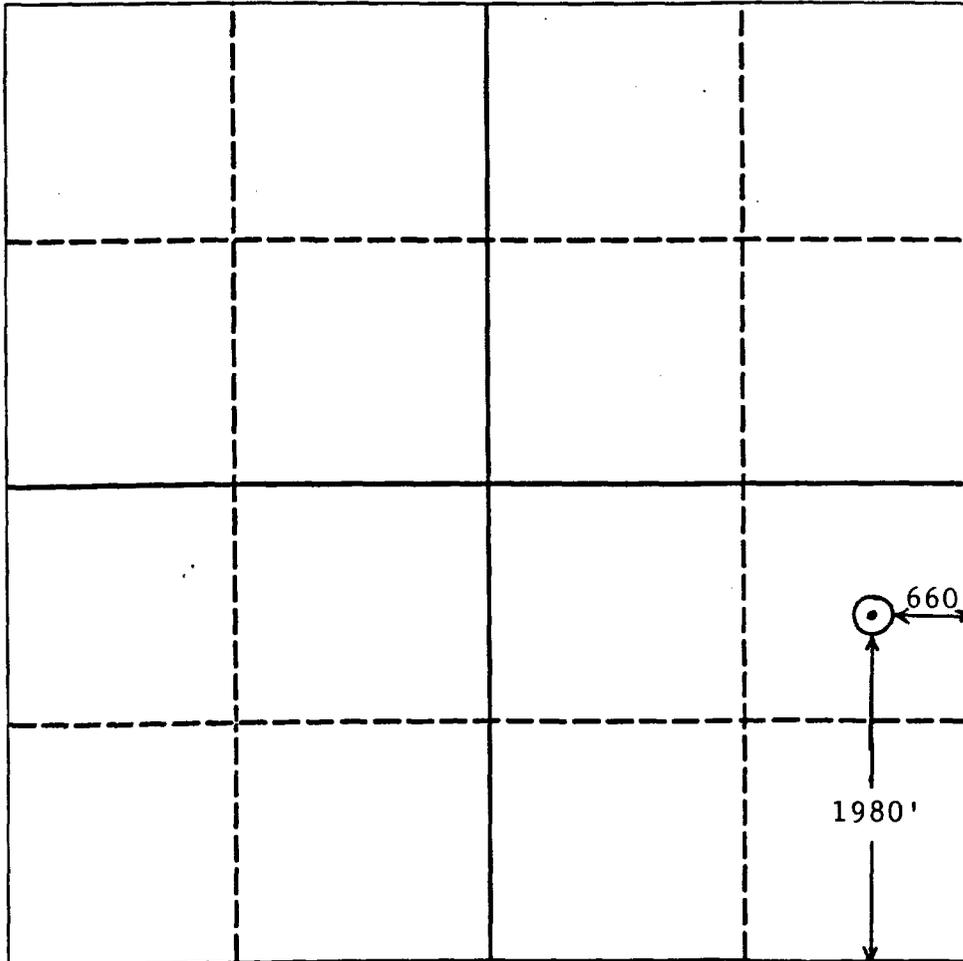
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator <b>KELTON OPERATING CORPORATION</b>		Lease <b>LINEBERRY</b>		Well No. <b>1</b>
Unit Letter <b>I</b>	Section <b>11</b>	Township <b>23S</b>	Range <b>37E</b>	County <b>NMPM Lea</b>
Actual Footage Location of Well: <b>1980</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>East</b> line				
Ground level Elev. <b>3252</b>	Producing Formation <b>Blinebry</b>	Pool <b>Blinebry</b>	Dedicated Acreage: <b>40</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?  
 Yes  No If answer is "yes" type of consolidation \_\_\_\_\_  
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*[Signature]*  
Signature

**C. Dale Kelton**  
Printed Name

**President**  
Position

**KELTON OPERATING CORP**  
Company

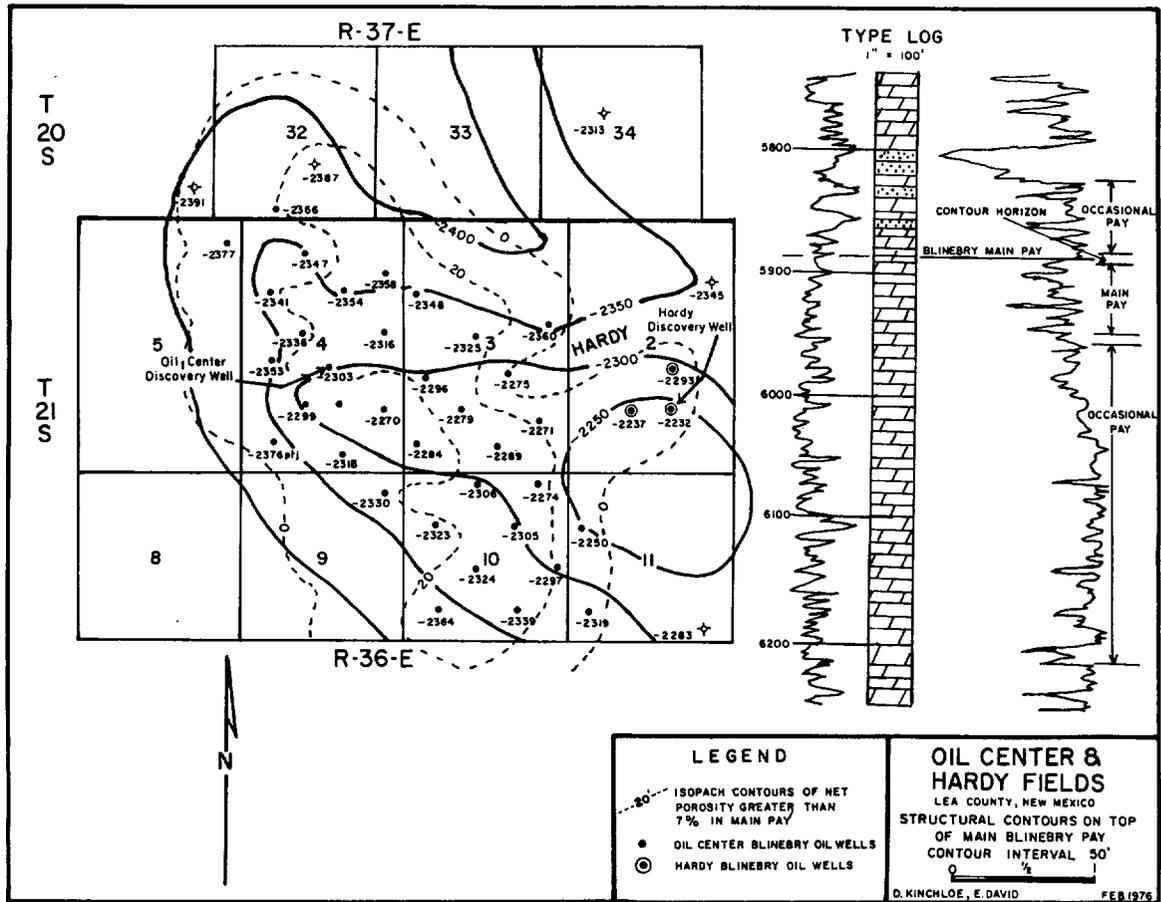
**10-9-92**  
Date

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Date Surveyed

\_\_\_\_\_  
Signature & Seal of Professional Surveyor

\_\_\_\_\_  
Certificate No.



**Author:** D. Kinchloe, E. K. David **Field Name:** Oil Center Blinebry  
**Affiliation:** Consulting Geologists **Location:** T-21-S, R-36-E, Sec. 3-5 & 9-11; T-20-S, R-37-E, Sec. 32.  
**Date:** August 1976 **County & State:** Lea Co., New Mexico

**Discovery Well:** Continental Oil Co. #19 Meyer B-4, 3300' FSL & 2310' FEL, Sec. 4, T-21-S, R-36-E Completed 2-14-62.  
**Exploration Method Leading to Discovery:** Subsurface, plugback to Blinebry after drilling.

**Pay Zone:** Blinebry **Depth & Datum Discovery Well:** 5907' (-2325) to 5946' (-2364)  
**Lithology Description:** Tan to brown, fine to medium crystalline dolomite with interstitial porosity.

**Approximate average pay:** 55' gross 22' net **Productive Area** 2640 acres

**Type Trap:** Combination structural - stratigraphic with porosity trend crossing structural nose.

**Reservoir Data:** 5-12% Porosity, 38-44 gvt. **Mod. Permeability:** 30% Sw. % Sw. % So  
**Oil:** Sour **Water:** 2295.26 Mg. **Na+K:** 495.01 Ca 73.2 Mg. **2927.16 cl.** **30.71 SO<sub>4</sub>** **CO<sub>2</sub> or HCO<sub>3</sub>:** 5.60 Fg  
**Specific Gravity:** 1.100 **Resistivity:** .051 **ohms @ 75 °F**  
**Initial Field Pressure:** 1902 psi @ -2300' datum **Reservoir Temp.** 105 °F  
**Type of Drive:** Solution Gas

**Normal Completion Practices:** Drill through Blinebry, run logs, set pipe, perforate selected intervals. Treat with 250 to 10000 gallons acid and frac treat if necessary.

**Type completion:** Flowing and pumping **Normal Well Spacing** 80 Acres  
**Deepest Horizon Penetrated & Depth:** Ellenburger Dolomite 11,908 (-8341)  
**Other Producing Formations in Field:** Queen, 3356-3517 Eumont Gas

**Production Date:**

YEAR	No. of wells @ yr. end		PRODUCTION OIL IN BARRELS GAS IN M.M.C.F.		YEAR	No. of wells @ yr. end		PRODUCTION OIL IN BARRELS GAS IN M.M.C.F.	
	TYPE	S/L or Abd.	ANNUAL	CUMULATIVE		TYPE	Prod.	S/L or Abd.	ANNUAL
68	OIL		501,581	3,526,766	72	OIL		291,136	4,996,583
	GAS		1,700			GAS		1,429	
69	OIL		429,078	3,955,844	73	OIL		266,447	5,263,030
	GAS		1,685			GAS		1,367	
70	OIL		411,110	4,366,954	74	OIL	33	230,323	5,493,353
	GAS		1,928			GAS		1,159	
71	OIL		338,493	4,705,447	75	OIL	33	215,360	5,708,713
	GAS		1,780			GAS		1,148	

ROSWELL GEOLOGICAL SOCIETY SYMPOSIUM

Author: Kincheloe, Becker, David      Field Name: Hardy (See Oil Center Structure Map)  
 Affiliation: Consulting Geologists      Location: T-21-S, R-36-E, Sec. 2  
 Date: August 1976      County & State: Lea County, New Mexico

Discovery Well: Amoco #3 State "C" Tr. 11, NW/4 SE/4 Sec. 2, T-21-S, R-36-E

Exploration Method Leading to Discovery:  
 Subsurface, stratigraphic zone producing in area

Pay Zone:  
 Formation Name: Blinebry      Depth & Datum Discovery Well: 5712 (-2186)  
 Lithology Description:  
 Tan-brown, fine-medium crystalline dolomite with interstitial porosity

Approximate average pay: 600' gross 29' net      Productive Area 240 acres

Type Trap: Combination structure - stratigraphic

Reservoir Data:  
6 % Porosity, \_\_\_\_\_ Md Permeability, 31 % Sw, \_\_\_\_\_ % So  
 Oil: Gravity 42  
 Gas: sour  
 Water: 2307.83 Na<sup>+</sup>K, 203.59 Ca, 187.92 Mg, 2583.12 Cl, 102.02 SO<sub>4</sub>, \_\_\_\_\_ CO<sub>2</sub>, or HCO<sub>3</sub>, 14.2 Fe  
 Specific Gravity 1.10      Resistivity .05 ohms @ 75 °F  
 Initial Field Pressure: \_\_\_\_\_ psi @ \_\_\_\_\_ datum      Reservoir Temp. 105 °F  
 Type of Drive:  
 Solution gas drive with indicated partial water drive

Normal Completion Practices:  
 Set 4 1/2" casing through the pay, selectively perforate (1 SPF), acidize with 2500 to 3000 gallons, and fracture with 40,000 to 45,000# sand

Type completion: \_\_\_\_\_      Normal Well Spacing 80 Acres  
 Flowing and pumping

Deepest Horizon Penetrated & Depth:  
 Abo 7054'

Other Producing Formations in Field:  
 Queen (abandoned)

Production Data:

YEAR	TYPE	No. of wells @ yr. end		PRODUCTION OIL IN BARRELS GAS IN MMCF		YEAR	TYPE	No. of wells @ yr. end		PRODUCTION OIL IN BARRELS GAS IN MMCF	
		Prod.	S.I. or Abd.	ANNUAL	CUMULATIVE			Prod.	S.I. or Abd.	ANNUAL	CUMULATIVE
69	OIL	2		14,637	14,637	73	OIL	3		18,170	83,086
	GAS			31	31		GAS			51	199
70	OIL	2		18,149	32,786	74	OIL	3		15,112	98,198
	GAS			41	72		GAS			38	237
71	OIL	2		13,690	46,476	75	OIL	3		13,268	111,466
	GAS			33	105		GAS			26	263
72	OIL	3		18,440	64,916		OIL				
	GAS			43	148		GAS				

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

*NOMENCLATURE*  
*CASE NO. 10444*  
*ORDER NO. R-9696*

**APPLICATION OF AMERADA HESS CORPORATION  
FOR POOL CREATION, SPECIAL POOL RULES AND  
THE CONTRACTION OF THE VERTICAL LIMITS OF  
THE HOBBS-BLINEBRY POOL, LEA COUNTY, NEW  
MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 20, 1992, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 17th day of July, 1992 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Division Order No. R-3530, dated October 22, 1968 and made effective November 1, 1968, the Division created and defined the Hobbs-Blinebry Pool for the production of oil from the Blinebry formation. The horizontal limits for said pool, as currently defined, include the following described lands in Lea County, New Mexico:

Township 18 South, Range 38 East, NMPM

Section 19: S/2  
Section 28: SW/4  
Section 29: W/2 and SE/4  
Section 30: E/2  
Section 31: NE/4

Section 32: All  
Section 33: N/2 and SW/4  
Section 34: W/2

Township 19 South, Range 38 East, NMPM  
Section 3: NW/4

(3) The Hobbs-Blinebry Pool is currently governed by the General Statewide Rules and Regulations with development on 40-acre spacing units each having a top unit depth bracket allowable of 107 barrels of oil per day and a limiting gas/oil ratio of 2,000 cubic feet of gas per barrel of oil which results in a casinghead gas allowable of 214 MCF per day.

(4) The applicant in this matter, Amerada Hess Corporation ("Amerada"), is an interest owner in the Hobbs-Blinebry Pool and operates one well therein: the State "A" Well No. 5 located in Unit A of Section 32, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

(5) At this time, Amerada seeks the contraction of the vertical limits of said Hobbs-Blinebry Pool in conjunction with the concomitant creation of a new pool for the production of oil from the Lower Blinebry formation within the existing horizontal limits of the Hobbs-Blinebry Pool, as described above. The applicant further seeks the promulgation of special rules for the proposed "Lower Blinebry" pool including provisions for 80-acre oil spacing and proration units, designated well location requirements and for a special gas/oil ratio limitation of 10,000 cubic feet of gas per barrel of oil.

(6) Although said State "A" Well No. 5 is located within the Hobbs-Blinebry Pool, the geological evidence presented at the hearing demonstrates that said well, which is currently completed and producing from the Blinebry formation through the perforated intervals at 6204 feet to 6210 feet, 6212 feet to 6214 feet and 6269 feet to 6274 feet, has tapped into a previously unproduced common source of supply within the Blinebry formation which exhibits reservoir characteristics that differ somewhat from the upper producing interval of the Blinebry formation found in the other wells completed throughout the pool.

(7) Three other wells within the Hobbs-Blinebry Pool have tested this lower interval of the Blinebry formation whereby it can be established that the reservoir characteristics between the lower and upper Blinebry zones are not the same over the entire pool.

(8) A new oil pool should therefore be created with the vertical limits to include the lower Blinebry formation from a gamma ray marker consisting of a shale bed found at a depth of 6203 feet on the Gamma Ray-Neutron Log dated May 28, 1969 for the State "A" Well No. 5, as described above, to the base of the Blinebry formation. Further, the vertical limits of the Hobbs-Blinebry Pool should be concomitantly contracted to include the top of the Blinebry formation to the above-described "shale marker." The horizontal limits of both zones should comprise the area described in Finding Paragraph No. (2) of this order.

(9) The new "Lower Blinebry" Pool should be designated the Hobbs-Lower Blinebry Pool and the Hobbs-Blinebry Pool should be redesignated the Hobbs-Upper Blinebry Pool.

(10) There is ample evidence in the record of this case to justify the establishment of 80-acre spacing and proration units for the proposed Lower-Blinebry Pool on a temporary basis of twenty-four months. Said temporary rules should provide for well locations to be within 150 feet of the center of a governmental quarter-quarter section, so as to promote orderly development of said new pool.

(11) Subpart A of Section 70-2-3 NMSA 1978 of the "Oil and Gas Act", defines waste as including: "the inefficient, excessive, or improper, use or dissipation of the reservoir energy, including gas energy and water drive, of any pool."

(12) Section 70-2-12.B. (4) and (9), respectively, gives the New Mexico Oil Conservation Division authority to make and enforce rules and regulations:

"(4) To prevent the drowning by water of any stratum or part thereof capable of producing oil or gas, or both oil and gas, in paying quantities, and to prevent the premature and irregular encroachment of water, or any other kind of water encroachment, which reduces or tends to reduce the total ultimate recovery of crude petroleum oil or gas or both such oil and gas, from any pool."

"(9) To require the operation of wells with efficient gas-oil ratios and to fix such ratios."

(13) The immediate two statutory paragraphs above dictate the Division's obligations in the prevention of waste with respect to the production and/or handling of oil and natural gas including the conservation of energy within the reservoir.

(14) Therefore, upon the discovery of a reservoir, the manner in which it will ultimately perform will depend upon the operating principles which are applied and the operating practices imposed. Essentially, the technology applying to petroleum reservoirs is a recognition of the fact that operating practices must be such as to utilize efficiently the energy of production, whatever the type be, in order that the greatest and most economic recovery of petroleum be had. This constitutes the fundamental bases for conservation measures designed to prevent waste.

(15) The New Mexico Oil Conservancy first addressed the assignments of gas/oil ratios to certain pools in Lea County in Case No. 19 which resulted in the issuance of the following four orders:

Order No. 236, dated January 13, 1940;  
Order No. 237, dated January 13, 1940;  
Order No. 238, dated January 13, 1940; and  
Order No. 250, dated March 27, 1940.

(16) In July, 1943, by Order No. 545 issued in Case No. 42, the Oil Conservancy established a limiting gas/oil ratio factor of 2,000 cubic feet of gas per barrel of oil for all new and undesignated pools. This limiting factor has remained in effect since that time and is currently administered under the provisions of Division General Rule 506.

(17) The Division has granted numerous exceptions over the years to the basic 2,000 to 1 gas/oil ratio (of the seventeen Blinebry pools, nine have a 2,000 to 1 ratio, two have 4,000 to 1, two have 6,000 to 1, two have 7,000 to 1, and two are unrestricted due to low production rate and low gas/oil ratio); however, adequate information concerning the particular reservoir and its characteristics were presented, in detail, before such exception was granted.

(18) The applicant in this instance presented insufficient evidence concerning the reservoir characteristics and essential production data to support the establishment of the requested 10,000 to 1 limiting gas/oil ratio factor for the new pool. Therefore, the portion of this application requesting a special gas/oil ratio should not be approved at this time. However, Amerada Hess is encouraged to present any available data to support its request should it still desire a special gas/oil ratio for the newly formed Hobbs-Lower Blinebry Pool.

(19) During the twenty-four month period in which this order is in effect, the applicant, along with the operators in both the upper and lower pools should gather all available information relating to drainage and recoverable reserves in the subject pools.

(20) This case should be reopened at an examiner hearing in June 1994, at which time the operators in the lower pool should appear and show cause why the Hobbs-Lower Blinebry Pool should not be developed on 40-acre spacing and proration units and why both upper and lower pools formed by this order should not be rejoined and redesignated the Hobbs-Blinebry Pool.

IT IS THEREFORE ORDERED THAT:

(1) At the request of the applicant, Amerada Hess Corporation, a new pool for lower Blinebry oil production is hereby created and designated the Hobbs-Lower Blinebry Pool with upper and lower limits defined as the top of the shale bed marker found at a depth of 6203 feet on the Gamma Ray-Neutron Log run May 29, 1969 from a kelly bushing elevation of 3661 feet in the State "A" Well No. 5 located in Unit A of Section 32, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico to the base of the Blinebry formation and comprising the following described acreage in Lea County, New Mexico:

Township 18 South, Range 38 East, NMPM

Section 19: S/2  
Section 28: SW/4  
Section 29: W/2 and SE/4  
Section 30: E/2  
Section 31: NE/4  
Section 32: All  
Section 33: N/2 and SW/4  
Section 34: W/2

Township 19 South, Range 38 East, NMPM

Section 3: NW/4

(2) The vertical limits of the Hobbs-Blinebry Pool is hereby contracted by the deletion of the lower portion of the Blinebry formation which will consist of the newly formed Hobbs-Lower Blinebry Pool as described above. Further, the Hobbs-Blinebry Pool is hereby designated the Hobbs-Upper Blinebry Pool.

(3) The redesignation and vertical contraction of the Hobbs-Blinebry Pool and the concomitant creation of the Hobbs-Lower Blinebry Pool shall become effective June 1, 1992.

(4) Temporary special rules and regulations for the newly formed Hobbs-Lower Blinebry Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS  
FOR THE HOBBS-LOWER BLINEBRY POOL**

**RULE 1:** Each well completed or recompleted in the Hobbs-Lower Blinebry Pool or within one mile thereof, and not nearer to or within the limits of another Blinebry oil 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 the N/2, S/2, E/2 or W/2 of a governmental quarter section; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in that unit.

**RULE 3:** The Director of the Oil Conservation Division, hereinafter referred to as the "Division", 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 comprising a single governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. 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 Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within thirty days after the Director has received an application.

**RULE 4:** Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

**RULE 5:** The Division Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within twenty days after the Director has received the application.

**RULE 6:** The allowable for a standard proration unit (79 through 81 acres) shall be subject to an 80-acre depth-bracket allowable of 222 barrels of oil per day and a limiting gas/oil ratio of 2,000 cubic feet of gas per barrel of oil which results in a casinghead gas allowable of 444 MCF per day. In the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

**IT IS FURTHER ORDERED THAT:**

(5) The applicant's request for a special gas/oil ratio limitation factor of 10,000 cubic feet of gas per barrel of oil for the newly formed Hobbs-Lower Blinebry Pool is hereby denied.

(6) The locations of any other wells presently drilling to or completed in the Hobbs-Lower Blinebry Pool or in the Blinebry formation within one mile thereof, and not nearer to or within the limits of another designated Blinebry pool are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before August 1, 1992.

(7) Pursuant to Paragraph A of Section 70-2-18, NMSA (1978), contained in Chapter 271, Laws of 1969, existing wells in the newly formed Hobbs-Lower Blinebry Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within sixty days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said sixty-day limitation, each well presently drilling to or completed in the Hobbs-Lower Blinebry Pool or in its corresponding vertical limits as described in Decretory Paragraph No. (1), above, or within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(8) This case shall be reopened at an examiner hearing in June, 1994, at which time the operators in the subject pool should be prepared to appear and show cause why the temporary special pool rules for the Hobbs-Lower Blinebry Pool should not be

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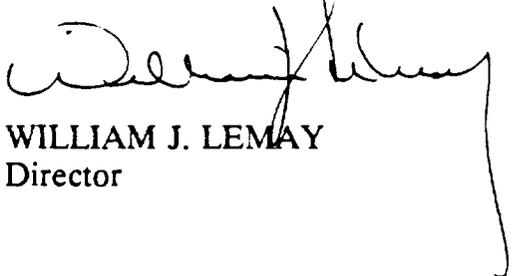
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rescinded and said pool not be developed on 40-acre spacing units and why both the upper and lower Blinebry pools formed by this order should not be rejoined and redesignated the Hobbs-Blinebry Pool.

(9) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L



PROCEDURE NAMES	DEFN	REFERENCE
CALC-OPLIM	000965	000874
CALC-OPLIM-END	000971	000874
CANREC-COMPUTE	001009	000879
CANREC-COMPUTE-END	001018	000879
CLEAR-WORK-FIELDS	001077	000702
CLEAR-WORK-FIELDS-END	001081	000702
CLOSE-ROUTINE	001169	000709
CLOSE-ROUTINE-END	001181	000709
COMPUTE-CURRENT-OU	000930	000832
COMPUTE-CURRENT-OU-END	000939	000832
COMPUTE-OPEN-OU	000941	000830
COMPUTE-OPEN-OU-END	000945	000830
FIND-HIGH-VALUE	000947	000867
FIND-HIGH-VALUE-END	000963	000867
MOVE-DATA	000973	000885
MOVE-DATA-END	000999	000885
OPEN-FILE	000713	000700
OPEN-FILE-END	000810	000700
PRINT-ERROR-MESSAGE	001152	000725
PRINT-ERROR-MESSAGE-END	001153	000725
PROCESS-DATA	000812	000706
PROCESS-DATA-END	000928	000706
READ-GAS-FILE	001020	000704
READ-GAS-FILE-END	001042	000704
READ-LEASE-FILE	001066	001091
READ-LEASE-FILE-END	001075	001091
READ-OPER-FILE	001055	001088
READ-OPER-FILE-END	001064	001038
READ-POOL-FILE	001044	001085
READ-POOL-FILE-END	001053	001085
REWRITE-GAS-FILE	001155	000892
REWRITE-GAS-FILE-END	001167	000892
STAT-906	001001	000975
STAT-906-END	001003	000975
STAT-946	001005	000980
STAT-946-END	001007	000980
WRITE-DETAIL	001083	000889
WRITE-DETAIL-END	001150	000889

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