



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

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

December 13, 1999

Exxon Corporation  
P. O. Box 4358  
Houston, Texas 77210-4358  
Attention: Charlotte Harper

***Administrative Order SD-99-17***

Dear Ms. Harper:

Reference is made to the following: (i) your letter dated December 1, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") including well files and the files on Division Administrative Orders NSL-1728(L)(SD) and NSL-1728-A(L)(SD) and Division Order No. R-10062, issued in consolidated Case Nos. 10894 and 10895 dated February 15, 1994: all concerning your request to simultaneously dedicate gas production from the Blinebry Oil and Gas Pool within the existing non-standard 120-acre gas spacing and proration unit comprising the N/2 SE/4 and the SE/4 SE/4 of Section 27, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. This unit was approved by Division Order No. R-10062, issued in consolidated Case Nos. 10894 and 10895 dated February 15, 1994.

Exxon Corporation ("Exxon") is hereby authorized to simultaneously dedicate gas production attributed to the Blinebry Oil and Gas Pool within this 120-acre from the following three wells:

- the existing F. F. Hardison "B" Well No. 6 (**API No. 30-025-06809**), located at a standard gas well location 1980 feet from the South and East lines (Unit J) of Section 27, which is to be recompleted up hole into the gas bearing Blinebry interval;
- the existing F. F. Hardison "B" Well No. 7 (**API No. 30-025-06810**), located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 27; and,
- the existing F. F. Hardison "B" Well No. 8 (**API No. 30-025-06811**), located at a standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 27.

Exxon is hereby permitted to produce the allowable assigned this non-standard 120-acre gas spacing and proration unit from all three wells in any proportion. Further, all provisions of

Administrative Order SD-99-17  
Exxon Corporation  
December 13, 1999  
Page 2

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Division Order No. R-10062 applicable to this unit shall remain in full force and affect until further notice.

Sincerely,



Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
File: Case No. 10894 /  
Case No. 10895  
NSP-1728-A(L)(SD)



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

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

December 13, 1999

**Exxon Corporation**  
**P. O. Box 4358** Error! Bookmark not defined.  
**Houston, Texas 77210-4358**  
**Attention: Charlotte Harper**

***Administrative Order NSP-1728-A(L)(SD)***

Dear Ms. Harper:

Reference is made to the following: (i) your application dated November 18, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") including well files and the files on Division Administrative Order NSL-1728(L)(SD), and Division Order No. R-10062, issued in consolidated Case Nos. 10894 and 10895 dated February 15, 1994: all concerning your request to establish a non-standard 80-acre gas spacing and proration unit consisting of the following acreage within the Blinebry Oil and Gas Pool:

**LEA COUNTY, NEW MEXICO**  
**TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM**  
**Section 34: W/2 NE/4.**

It is our understanding that this unit is to be simultaneously dedicated to Exxon Corporation's existing: (i) F. F. Hardison "B" Well No. 3 (**API No. 30-025-07010**), located at an unorthodox gas well location 2012/2015 feet from the North line and 1978/1980 feet from the East line (Unit G) of Section 34; and (ii) F. F. Hardison "B" Well No. 4 (**API No. 30-025-07011**), located at a standard gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 34.

By authority granted me under the provisions of **Rule 2(d)** of the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*" as promulgated by Division Order No. R-8170, as amended, the above-described 80-acre non-standard gas spacing and proration unit and the resulting unorthodox Blinebry gas well location for the above-described F. F. Hardison "B" Well No. 3 are hereby approved.

This newly established 80-acre unit is to be simultaneously dedicated to the above-described F. F. Hardison "B" Wells No. 3 and 4, with allowable assigned thereto in accordance with Rule 5 of the special Blinebry Oil and Gas Pool rules based upon the unit size of 80 acres.

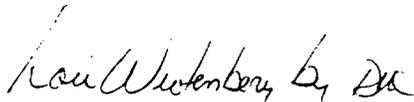
**It is further ordered that** the following two non-standard gas spacing and proration units within the Blinebry Oil and Gas Pool on Exxon's F. F. Hardison "B" lease shall be placed in

abeyance until further notice:

- (1) Division Administrative Order NSP-1728(L)(SD), which order established a 120-acre non-standard Blinebry gas spacing and proration unit comprising the NE/4 NE/4 and S/2 NE/4 of Section 34 and was simultaneously dedicated to Exxon's (i) F. F. Hardison "B" Well No. 1 (**API No. 30-025-07008**), located at an unorthodox gas well location 1980 feet from the North line and 440 feet from the East line (Unit H) of Section 34; and (ii) F. F. Hardison "B" Well No. 2 (**API No. 30-025-07009**), located at an unorthodox gas well location 660 feet from the North line and 610 feet from the East line (Unit A) of Section 34; and
- (2) that portion of Division Order No. R-10062 that established an 80-acre non-standard Blinebry gas spacing and proration unit comprising the SW/4 SE/4 of Section 27, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico and the NW/4 NE/4 of Section 34 and was dedicated to the above-described F. F. Hardison "B" Well No. 4. All other provisions of R-10062 shall remain in full force and effect until further notice.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs  
File: NSP1728(L)(SD),  
Case No. 10894 /  
Case No. 10895

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

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WASHINGTON, D.C.  
SPECIAL COUNSEL  
ALAN J. STATMAN\*

February 7, 1994

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**HAND DELIVERED**

Jim Morrow  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87501

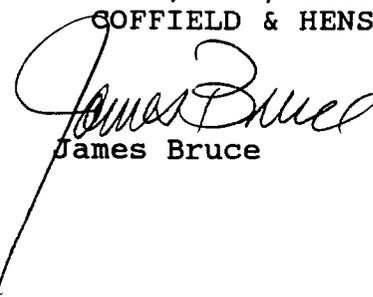
Re: Case Nos.: 10886, 10894, and 10895 (Exxon Corporation)

Dear Mr. Morrow:

It has come to my attention that when we submitted exhibits to you at the hearing, we neglected to submit the original affidavits regarding notice. Enclosed are the original affidavits.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

  
James Bruce

JB:jr  
Enclosures

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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

**APPLICATION OF EXXON CORPORATION  
FOR A NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO**

**CASE NO. 10894**

**APPLICATION OF EXXON CORPORATION  
FOR A NON-STANDARD GAS PRORATION  
UNIT AND SIMULTANEOUS DEDICATION,  
LEA COUNTY, NEW MEXICO**

*See 10895  
for orig*

**CASE NO. 10895**

**AFFIDAVIT REGARDING NOTICE**

**STATE OF TEXAS            )  
  ) ss.  
COUNTY OF MIDLAND    )**

Alejandro M. Correa, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18 and have personal knowledge of the matters stated herein.
2. I am an employee of Applicant herein.
3. Applicant has conducted a good faith, diligent effort to find the correct addresses of interest owners entitled to receive notice of the Application herein.
4. Notice of the Application was provided to the interest owners at their correct addresses by mailing them, by certified mail, a copy of the Application. Copy of the notice letter and certified return receipts are attached hereto.
5. The notice provisions of Rule 1207 have been complied with.

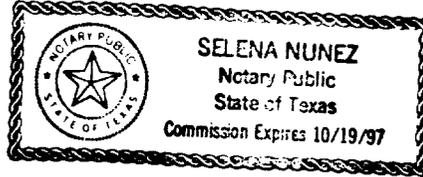
*Alejandro M. Correa*  
**Alejandro M. Correa**

SUBSCRIBED AND SWORN TO before me this 2 day of February, 1994, by Alejandro M. Correa.

Selena Nunez  
Notary Public

My Commission Expires:

10-19-97



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:

FEB - 1 1994

APPLICATION OF EXXON CORPORATION  
FOR A NON-STANDARD GAS PRORATION  
UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 10894

APPLICATION OF EXXON CORPORATION  
FOR A NON-STANDARD GAS PRORATION  
UNIT AND SIMULTANEOUS DEDICATION,  
LEA COUNTY, NEW MEXICO

CASE NO. 10895

CONSOLIDATED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Applicant as  
required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

APPLICANT

ATTORNEY

Exxon Corporation  
Post Office Box 1600  
Midland, TX 79702  
Attn: William T. Duncan, Jr.  
(915) 688-6174

James Bruce, Esq.  
HINKLE, COX, EATON, COFFIELD  
& HENSLEY  
Post Office Box 2068  
Santa Fe, New Mexico 87504  
(505) 982-4554

OPPOSITION OR OTHER PARTY

ATTORNEY

**STATEMENT OF CASE**

APPLICANT

Applicant requests the formation of the following non-standard  
gas proration units in the Blinebry Oil and Gas Pool:

1. 80 acres comprised of the NW $\frac{1}{4}$ NE $\frac{1}{4}$  § 34 and SW $\frac{1}{4}$ SE $\frac{1}{4}$  § 27 (crossing a section line), Township 21 South, Range 37 East (F.F. Hardison "B" Well No. 4, Case No. 10894). This well currently has 40 acres (the NW $\frac{1}{4}$ NE $\frac{1}{4}$  §34) dedicated to it under Administrative Order No. NSP-1618. Additional perforations planned for the well should cause an increase in gas production, requiring a larger unit and larger allowable; and
2. 120 acres comprised of the N $\frac{1}{2}$ SE $\frac{1}{4}$  and SE $\frac{1}{2}$ SE $\frac{1}{4}$  § 27 (crossing a quarter section line), Township 21 South, Range 37 East (F.F. Hardison "B" Well Nos. 7 and 8, Case No. 10895). The Nos. 7 and 8 Wells currently have the NE $\frac{1}{2}$ SE $\frac{1}{4}$  and S $\frac{1}{2}$ SE $\frac{1}{4}$  § 27 dedicated to them pursuant to Administrative Order No. NSP-1482(SD). The acreage rearrangement is necessary due to the requested dedication of the SW $\frac{1}{4}$ SE $\frac{1}{4}$  § 27 to Well No. 4 pursuant to Case No. 10894. Simultaneous dedication of the Nos. 7 and 8 Wells to the new 120 acre unit is also requested.

The proposed units are located wholly within one lease. These hearings are necessitated by changes in Order No. R-8170, as amended, which no longer allows administrative approval of such applications.

OPPOSITION OR OTHER PARTY

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Wm. T. Duncan, Jr. (Engineer)	20 minutes	(a) Land plat (b) Acreage dedication plat (c) Notice affidavit

OPPOSITION

WITNESSES

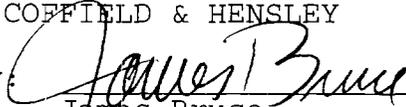
EST. TIME

EXHIBITS

**PROCEDURAL MATTERS**

Applicant requests these two cases be consolidated for hearing.

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

By: 

James Bruce  
Post Office Box 2068  
Santa Fe, New Mexico 87504-2068  
(505) 982-4554

Attorneys for Exxon Corporation

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

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CHRISTINE E. LALE  
PAUL G. NASON  
DARLA M. SILVA

\*NOT LICENSED IN NEW MEXICO

January 18, 1994

**HAND DELIVERED**

JAN 18 1994

William J. LeMay  
Oil Conservation Division  
State Land Office Building  
Santa Fe, New Mexico 87501

Re: **Case Nos. 10894, 10895, and 10886 (Exxon Corporation)**

Dear Mr. LeMay:

Please continue the above cases to the February 3, 1994 docket.

Thank you.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

James Bruce  
Attorneys for Exxon Corporation

JB:jr



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



January 7, 1994

BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

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(505) 827-5800

**Exxon Corporation**  
**P. O. Box 1600**  
**Midland, Texas 79702-1600**

**Attn: Alex M. Correa**

**Re: Division Case Nos. 10894 and 10886.**

Dear Mr. Correa:

Reference is made to our telephone conversation today, per your request both of the subject cases currently scheduled for the January 20, 1994 examiners hearing are hereby continued to the February 3, 1994 docket.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs  
W. Thomas Kellahin - Santa Fe  
Florine Davidson - OCD, Santa Fe

**CASE 10870:** (Continued from January 6, 1994, Examiner Hearing.)

Application of Pogo Producing Company for special pool rules for the Los Medanos-Delaware and West Sand Dunes-Delaware Pools, Eddy County, New Mexico. Applicant seeks the promulgation of special pool rules for both the Los Medanos-Delaware and West Sand Dunes-Delaware Pools including a provision for a gas-oil ratio limitation of 8,000 cubic feet of gas per barrel of oil. The Los Medanos-Delaware Pool covers all or parts of Sections 9, 16, and 17 and the West Sand Dunes-Delaware Pool covers all or parts of Sections 20, 21, 28, 29, 32, and 33, all in Township 23 South, Range 31 East. Said area is located approximately at mile marker 15 on State Highway 128.

**CASE 10893:** Application of Samedan Oil Corporation for pool extension of and special pool rules for the Cline-Tubb Pool, Lea County, New Mexico. Applicant seeks the promulgation of special pool rules for the Cline-Tubb Pool including a provision for a gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil. The Cline-Tubb Pool consists of the SE/4 of Section 11, Township 23 South, Range 37 East, and applicant further seeks the extension of said pool to include the SW/4 of Section 12 in said township and range. Said area is located approximately 8 miles south of Eunice, New Mexico.

**CASE 10894:** Application of Exxon Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant seeks the formation of an 80-acre non-standard gas proration unit comprising the NW/4 NE/4 (Unit B) of Section 34 and the SW/4 SE/4 (Unit O) of Section 27, Township 21 South, Range 37 East, Blinebry Oil and Gas Pool, to be dedicated to its F. F. Hardison "B" Well No. 4 located 660 feet from the North line and 1980 feet from the East line of said Section 34. Said well currently has a 40-acre non-standard gas proration unit authorized by Administrative Order No. NSP-1618. Said unit is located approximately in Eunice, New Mexico.

**CASE 10895:** Application of Exxon Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant seeks the formation of a 120-acre non-standard gas proration unit comprising the NW/4 SE/4 (Unit J), the NE/4 SE/4 (Unit I), and the SE/4 SE/4 (Unit P) of Section 27, Township 21 South, Range 37 East, Blinebry Oil and Gas Pool, to be simultaneously dedicated to its F. F. Hardison Well No. 7 located 660 feet from the South and East lines and Well No. 8 located 1980 feet from the South line and 660 feet from the East line, both in said Section 27. Said wells currently have a 120-acre non-standard gas proration unit and simultaneous dedication authorized by Administrative Order No. NSP-1482(SD). Said unit is located approximately in Eunice, New Mexico.

**CASE 10886:** (Continued from December 16, 1993, Examiner Hearing.)

Application of Exxon Corporation for acreage reorientation and for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to reorient the existing acreage currently dedicated in the Blinebry Gas Pool to its New Mexico "S" State Well No. 12, being the 79.50 acres comprising Lots 1 and 2 (N/2 NE/4 equivalent) of Section 2, Township 22 South, Range 37 East, and its New Mexico "S" State Well No. 14, being the 39.78 acres comprising Lot 3 (NE/4 NW/4 equivalent) of said Section 2, both non-standard units previously approved by Division Administrative Orders NSP-954-A and NSP-1599, respectively. The applicant now proposes to combine Lots 2 and 3 (the NW/4 NE/4 and NE/4 NW/4 equivalents) of said Section 2 to form a non-standard 79.52-acre gas spacing and proration unit in the Blinebry Gas Pool for the No. 14 well located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 2 and to dedicate the remaining 39.74 acres comprising Lot 1 (NE/4 NE/4 equivalent) to the No. 12 located 660 feet from the North and East lines (Unit A) of said Section 2. This acreage is located approximately two miles east southeast of Eunice, New Mexico.

**CASE 10896:** Application of The Wiser Oil Company to authorize the expansion of the Maljamar Grayburg Unit Waterflood Project and qualify said expansion for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act," Lea County, New Mexico. Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying a portion of its Maljamar Grayburg Unit in Sections 2, 3, 4, 8, 9, 10, 11, 14, and 15, Township 17 South, Range 32 East, Maljamar Grayburg-San Andres Pool, for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Applicant further seeks authority to expand a portion of said project by means of a significant change in process including conversion to 40-acre five-spot injection patterns. Said project area is centered in Maljamar, New Mexico.

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

JHM  
2-7-94

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

JMS  
2-8-94

WJR  
2/10/94  
CASE NOS 10894 AND 10895  
ORDER NO. R-10062  
AS  
2/5/94

APPLICATION OF EXXON CORPORATION FOR A NON-STANDARD GAS  
PRORATION UNIT, LEA COUNTY, NEW MEXICO.

APPLICATION OF EXXON CORPORATION FOR A NON-STANDARD GAS  
PRORATION UNIT AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 3, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this \_\_\_\_\_ day of February, 1994 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) Division Cases Nos. 10894 and 10895 were consolidated at the time of the hearing for purpose of testimony.
- (3) The applicant in Case 10894, seeks the formation of an 80-acre non-standard gas proration unit comprising the NW/4 NE/4 (Unit B) of Section 34 and the SW/4 SE/4 (Unit O) of Section 27, Township 21 South, Range 37 East, Blinbry Oil and Gas Pool, NMPM, Lea County, New Mexico. Said unit would be dedicated to Exxon's F. F. Hardison "B" Well No.

4 Located 660 feet from the North line and 1980 feet from the East line of said Section 34. Said well currently has a 40-acre non-standard gas proration unit authorized by Administrative Order No. NSP-1618.

(4) The applicant in Case 10895 seeks the formation of a 120-acre non-standard gas proration unit comprising the NW/4 SE/4 (Unit J), the NE/4 SE/4 (Unit I), and the SE/4 SE/4 (Unit P) of Section 27, Township 21 South, Range 37 East, Blinebry Oil and Gas Pool, NMPM, Lea County, New Mexico. Said unit would be simultaneously dedicated to Exxon's F. F. Hardison Well No. 7 located 660 feet from the South and East lines and Well No. 8 located 1980 feet from the South and 660 feet from the East line, both in said Section 27. Said wells currently have a 120-acre non-standard gas proration unit and simultaneous dedication authorized by Administrative Order No. NSP-1482/(SD).

(5) Pool rules for the Blinebry Oil and Gas Pool provide for standard gas proration units of 160 acres with each gas well located not nearer than 660 feet to the outer boundary of its proration unit or of the ~~1/4~~ <sup>quarter</sup> section and not nearer than 330 feet to any governmental ~~1/4~~ <sup>quarter-quarter</sup> section or subdivision line.

(6) Applicant's witness testified that producing capacity for well no. 4 is expected to exceed the current 40-acre allowable because of additional perforations and a sand fracture treatment. The non-standard 80-acre gas proration unit described in finding paragraph no. (3) is therefore requested for well no. 4.

(7) Applicant's witness requested that the 120-acre gas proration unit currently dedicated to wells nos. 7 and 8 be amended to delete (Unit O) and add (Unit J) of Section 27 so as to release (Unit O) for dedication to no. 4. Finding paragraph no. (4) describes the gas proration unit requested for wells nos. 7 and 8.

(8) Exhibits were presented at the hearing to show that the proposed gas proration units are located wholly within Exxon's 320-acre F.F. Hardison lease.

(9) Applicant's witness provided information to show that all offset operators had been notified and that waivers had been received from four of the offset operators.

(10) No offset operator or other interested party appeared at the hearing in opposition to the proposed gas proration units.

(11) Approval of the requested gas proration units will afford the applicant the opportunity to recover its just and equitable share of hydrocarbons in the Blinebry Oil and Gas Pool and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Exxon Corporation, is hereby authorized to form an 80-acre non-standard gas proration unit comprising the NW/4 NE/4 (Unit B) of Section 34 and the SW/4 SE/4 (Unit O) of Section 27, Township 21 South, Range 37 East, Blinbry Oil and Gas Pool, NMPM, Lea County, New Mexico. Said unit shall be dedicated to Exxon's F. F. Hardison "B" Well No. 4 located 660 feet from the North line and 1980 feet from the East line of said Section 34.

(2) Said applicant is also hereby authorized to form a 120-acre non-standard gas proration unit comprising the NW/4 SE/4 (Unit J), the NE/4 SE/4 (Unit I), and the SE/4 SE/4 (Unit P) of Section 27, Township 21 South, Range 37 East, Blinbry Oil and Gas Pool, NMPM, Lea County, New Mexico. Said unit shall be simultaneously dedicated to Exxon's F. F. Hardison Well No. 7 located 660 feet from the South and East lines and Well No. 8 located 1980 feet from the South and 660 feet from the East line, both in said Section 27.

(3) Administrative Orders Nos. NSP-1618 and NSP-1482 (SD) are hereby superseded by this order.

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

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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

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:

*CASE NOS. 10894 AND 10895  
ORDER NO. R-10062*

**APPLICATION OF EXXON CORPORATION FOR A NON-STANDARD GAS  
PRORATION UNIT, LEA COUNTY, NEW MEXICO.**

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**APPLICATION OF EXXON CORPORATION FOR A NON-STANDARD GAS  
PRORATION UNIT AND SIMULTANEOUS DEDICATION, LEA COUNTY, NEW  
MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 3, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 15th day of February, 1994, 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) Division Cases Nos. 10894 and 10895 were consolidated at the time of the hearing for purpose of testimony.
- (3) The applicant in Case No. 10894 seeks the formation of an 80-acre non-standard gas proration unit comprising the NW/4 NE/4 (Unit B) of Section 34 and the SW/4 SE/4 (Unit O) of Section 27, Township 21 South, Range 37 East, Blinbry Oil and Gas Pool, NMPM, Lea County, New Mexico. Said unit would be dedicated to Exxon's F. F. Hardison "B" Well No. 4 located 660 feet from the North line and 1980 feet from the East line of said Section 34. Said well currently has a 40-acre non-standard gas proration unit authorized by Administrative Order No. NSP-1618.

(4) The applicant in Case No. 10895 seeks the formation of a 120-acre non-standard gas proration unit comprising the NW/4 SE/4 (Unit J), the NE/4 SE/4 (Unit I), and the SE/4 SE/4 (Unit P) of Section 27, Township 21 South, Range 37 East, Blinebry Oil and Gas Pool, NMPM, Lea County, New Mexico. Said unit would be simultaneously dedicated to Exxon's F. F. Hardison Well No. 7 located 660 feet from the South and East lines and Well No. 8 located 1980 feet from the South line and 660 feet from the East line, both in said Section 27. Said wells currently have a 120-acre non-standard gas proration unit and simultaneous dedication authorized by Administrative Order No. NSP-1482(SD).

(5) Pool rules for the Blinebry Oil and Gas Pool provide for standard gas proration units of 160 acres with each gas well located not nearer than 660 feet to the outer boundary of its proration unit or of the quarter section and not nearer than 330 feet to any governmental quarter-quarter section or subdivision line.

(6) Applicant's witness testified that producing capacity for Well No. 4 is expected to exceed the current 40-acre allowable because of additional perforations and a sand fracture treatment. The non-standard 80-acre gas proration unit described in Finding Paragraph No. (3) is therefore requested for Well No. 4.

(7) Applicant's witness requested that the 120-acre gas proration unit currently dedicated to Wells Nos. 7 and 8 be amended to delete the SW/4 SE/4 (Unit O) and add the NW/4 SE/4 (Unit J) of Section 27 so as to release (Unit O) for dedication to No. 4. Finding Paragraph No. (4) describes the gas proration unit requested for Wells Nos. 7 and 8.

(8) Exhibits were presented at the hearing to show that the proposed gas proration units are located wholly within Exxon's 320-acre F.F. Hardison lease.

(9) Applicant's witness provided information to show that all offset operators had been notified and that waivers had been received from four of the offset operators.

(10) No offset operator or other interested party appeared at the hearing in opposition to the proposed gas proration units.

(11) Approval of the requested gas proration units will afford the applicant the opportunity to recover its just and equitable share of hydrocarbons in the Blinebry Oil and Gas Pool and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

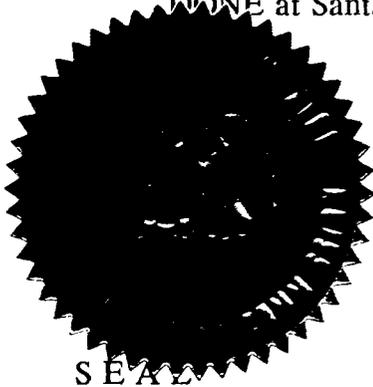
(1) The applicant, Exxon Corporation, is hereby authorized to form an 80-acre non-standard gas proration unit comprising the NW/4 NE/4 (Unit B) of Section 34 and the SW/4 SE/4 (Unit O) of Section 27, Township 21 South, Range 37 East, Blinbry Oil and Gas Pool, NMPM, Lea County, New Mexico. Said unit shall be dedicated to Exxon's F. F. Hardison "B" Well No. 4 located 660 feet from the North line and 1980 feet from the East line of said Section 34.

(2) Said applicant is also hereby authorized to form a 120-acre non-standard gas proration unit comprising the NW/4 SE/4 (Unit J), the NE/4 SE/4 (Unit I), and the SE/4 SE/4 (Unit P) of Section 27, Township 21 South, Range 37 East, Blinbry Oil and Gas Pool, NMPM, Lea County, New Mexico. Said unit shall be simultaneously dedicated to Exxon's F. F. Hardison Well No. 7 located 660 feet from the South and East lines and Well No. 8 located 1980 feet from the South line and 660 feet from the East line, both in said Section 27.

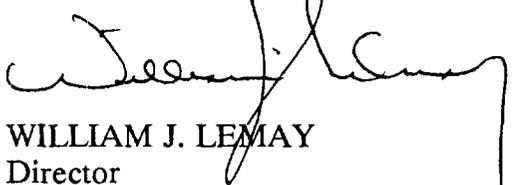
(3) Administrative Orders Nos. NSP-1618 and NSP-1482(SD) are hereby superseded by this order.

(4) 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