



**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,

Handwritten signature of Lori Wrotenberg in cursive, with the initials "LW" at the end.

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.

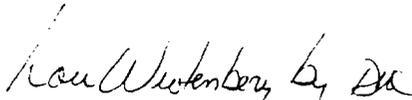
**It is further ordered that** the following two non-standard gas spacing and proration units within the Blinebry Oil and Gas Pool on Exxon's F. F. Hardison "B" lease shall be placed in

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 /

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

SEAL

# HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

FAX (505) 982-8623

CLARENCE E. HINKLE (1904-1985)  
W. E. BONDURANT, JR. (1913-1973)  
ROY C. SNODGRASS, JR. (1914-1987)

OF COUNSEL  
O. M. CALHOUN\*  
MACK EASLEY  
JOE W. WOOD  
RICHARD S. MORRIS

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

700 UNITED BANK PLAZA  
POST OFFICE BOX 10  
ROSWELL, NEW MEXICO 88202  
(505) 622-6510  
FAX (505) 623-9332

2800 CLAYDESTA CENTER  
6 DESTA DRIVE  
POST OFFICE BOX 3580  
MIDLAND, TEXAS 79702  
(915) 683-4691  
FAX (915) 683-6518

1700 TEAM BANK BUILDING  
POST OFFICE BOX 9238  
AMARILLO, TEXAS 79105  
(806) 372-5569  
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800  
POST OFFICE BOX 2043  
ALBUQUERQUE, NEW MEXICO 87103  
(505) 768-1500  
FAX (505) 768-1529

LEWIS C. COX  
PAUL W. EATON  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
THURSTON D. SHANOR  
ERIC D. LANPHERE  
C. D. MARTIN  
ROBERT P. TINNIN, JR.  
MARSHALL G. MARTIN  
WEN M. LOPEZ  
DOUGLAS L. LUNSFORD  
JOHN J. KELLY  
NICHOLAS J. NOEDING  
C. CALDER EZZELL, JR.  
WILLIAM B. BURFORD\*  
RICHARD E. OLSON  
RICHARD R. WILFONG\*  
TOMAS J. MCBRIDE  
AMES J. WECHSLER  
MARGY S. CUSACK  
EFFREY L. FORNACIARI  
EFFREY D. HEWETT  
AMES BRUCE  
ERRY F. SHACKELFORD\*  
EFFREY W. HELLBERG\*  
L. BERT L. PITTS  
M. MAS M. HNASKO  
N. C. CHAMBERS\*  
D. COMPTON\*  
M. AEL A. GROSS  
M. MAS O. HAINES, JR.  
REGORY J. NIBERT  
DAVID T. MARKETTE\*  
MARK C. DOW  
FRED W. SCHWENDIMANN  
JAMES M. HUDSON  
JEFFREY S. BAIRD\*  
REBECCA NICHOLS JOHNSON  
WILLIAM P. JOHNSON  
STANLEY K. KOTOVSKY, JR.  
H. R. THOMAS  
ELLEN S. CASEY  
MARGARET CARTER LUDEWIG  
S. BARRY PAISNER  
STEPHEN M. CRAMPTON  
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GREGORY S. WHEELER  
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JAMES A. GILLESPIE  
GARY W. LARSON  
STEPHANIE LANDRY  
JOHN R. KULSETH, JR.  
MARGARET B. MCNETT  
BRIAN T. CARTWRIGHT\*  
LISA K. SMITH\*  
ROBERT H. BEYER\*  
BRADLEY W. HOWARD  
CHARLES A. SUTTON  
NORMAN D. EWART  
DARREN T. GROCE\*  
MOLLY MCINTOSH  
MARCIA B. LINCOLN  
SCOTT A. SHUART\*  
DARREN L. BROOKS  
CHRISTINE E. LALE  
PAUL G. NASON  
DARLA M. SILVA

NOT LICENSED IN NEW MEXICO

February 7, 1994

## HAND DELIVERED

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

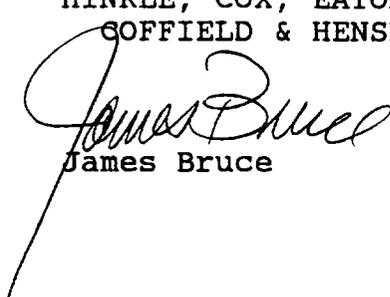
Re: Case Nos.: 10886, 10894, and 10895 (Exxon Corporation)

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**

**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.

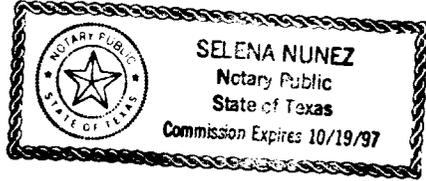
  
Alejandro M. Correa

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



HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX  
PAUL W. EATON  
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HAROLD L. HENSLEY, JR.  
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OF COUNSEL  
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RICHARD S. MORRIS

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

700 UNITED BANK PLAZA  
POST OFFICE BOX 10  
ROSWELL, NEW MEXICO 88202  
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FAX (505) 623-9332

2800 CLAYDESTA CENTER  
6 DESTA DRIVE  
POST OFFICE BOX 3580  
MIDLAND, TEXAS 79702  
(915) 683-4691  
FAX (915) 683-6518

1700 TEAM BANK BUILDING  
POST OFFICE BOX 9238  
AMARILLO, TEXAS 79105  
(806) 372-5569  
FAX (806) 372-9761

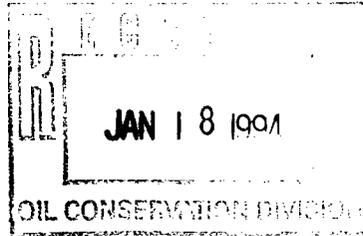
500 MARQUETTE N.W., SUITE 800  
POST OFFICE BOX 2043  
ALBUQUERQUE, NEW MEXICO 87103  
(505) 768-1500  
FAX (505) 768-1529

January 18, 1994

\*NOT LICENSED IN NEW MEXICO

**HAND DELIVERED**

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