

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:

JAN 18 1991

CASE NO. 10897

APPLICATION OF CONOCO INC. TO AUTHORIZE THE
EXPANSION OF A PORTION OF A WATERFLOOD PROJECT,
TO QUALIFY SAID EXPANSION FOR THE RECOVERED OIL
TAX RATE, AND FOR THE EXPANSION AND CONTRACTION
OF CERTAIN POOLS, LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

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

APPEARANCE OF PARTIES

APPLICANT

Conoco Inc.
10 Desta Drive
Midland, Texas 79705
Attn: Jerry Hoover
(915) 686-6548

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

OPPOSITION OR OTHER PARTY

ATTORNEY

None

STATEMENT OF CASE

APPLICANT

Conoco is the current operator of the Warren Unit and the Warren-Blinebry Tubb Waterflood Project, Lea County, New Mexico which was approved by Division Order R-6906-B issued March 15, 1991.

Conoco seeks to expand the existing waterflood project to include the following additional acreage within the Warren Unit being 1280 acres, more or less, identified as the "Second Expansion Area" and described as:

Township 20 South Range 38 East, NMPM

Section 20: SE/4
Section 21: SW/4 and S/2SE/4
Section 28: All
Section 29: NE/4 and N/2SE/4

The Second Expansion Area is within the Warren Unit and has been approved by the Bureau of Land Management.

Conoco proposes to subject the Second Expansion Area to a waterflood plan the objective of which is to successfully recover an estimated additional 1,723 MBO from the Blinebry and Tubb formations.

Ultimate primary production from the Second Expansion Area is estimated to be 1,895 MBBL with current primary production at 140 BOPD. Approximately 513 MBO of reserves remain to be recovered under the current mode of operation.

The remaining oil potential from these formations within the Second Expansion Area will not be recovered in the absence of waterflood operations on a project basis.

Conoco seeks to expand its waterflood operations into the Second Expansion Area in accordance with Division Order R-9708, by means of an "expansion, extension or increase in size of the geologic area or adjacent geologic area that could reasonably be determined to represent a new or unique area of activity."

The Second Expansion Area will be developed on a 40-acre five spot injection pattern involving 14 injection wells and 20 producers.

At the request of Conoco, by Order R-9467, issued March 15, 1991, the Division created the Warren-Blinebry Tubb Oil & Gas Pool out of portions of the Blinebry Oil & Gas Pool and the Warren-Tubb Gas Pool in order to provide for the most efficient method of secondary recovery operations for the simultaneous recovery of hydrocarbons from the Blinebry and Tubb formations.

The Tubb formation within the Second Expansion Area is currently classified within a portion of the Warren-Tubb Gas Pool. The Blinebry formation within the Second Expansion Area is currently classified within a portion of the Blinebry Oil & Gas Pool.

In order to provide for the most efficient method of secondary recovery operations for the simultaneous recovery of hydrocarbons from the Blinebry and Tubb formations within the Second Expansion Area Conoco requests that the Warren-Blinebry Tubb Oil & Gas Pool be expanded to include the Second Expansion Area and the Warren-Tubb Gas Pool and the Blinebry Oil & Gas Pool be concomitantly contracted.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Jerry Hoover (P.E.)	15 min.	5 exhibits
Damian Barrett (reservoir engineer)	20-30 min.	8 exhibits
Dave Nelson (geologist)	20-30 min.	7 exhibits
Joe Miller (production engineer)	20 min.	2 exhibits

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 
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