

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.**

**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, Blinebry 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, Blinebry 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.

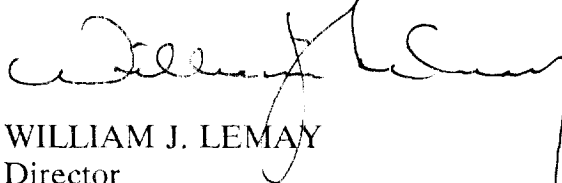
(2) Said applicant is also hereby authorized to form a 120-acre non-standard gas proration unit comprising the NW/4 SE/4 (Unit J), the NE/4 SE/4 (Unit I), and the SE/4 SE/4 (Unit P) of Section 27, Township 21 South, Range 37 East, Blinebry Oil and Gas Pool, NMPM, Lea County, New Mexico. Said unit shall 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

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