

*Entered May 22, 1973
A.L.P.*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4775
Order No. R-4536

APPLICATION OF CONTINENTAL OIL
COMPANY FOR AMENDMENT OF THE
BLINEBRY POOL RULES, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 23, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1973, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Continental Oil Company, appeared at said hearing and offered, for consideration of the Commission, several amendments to the rules governing the Blinebry Gas Pool and the Blinebry Oil Pool, which amendments, if adopted, would result in sweeping changes in said pool rules.

(3) That Gulf Oil Corporation also appeared at said hearing and offered for consideration of the Commission, several equally broad and sweeping amendments to the Blinebry Pool Rules.

(4) That numerous other operators in the Blinebry Pool offered support to the proposals of either one or the other of the aforesaid companies, and further offered suggested amendments to the proposed amendments.

(5) That the Blinebry Gas Pool and the Blinebry Oil Pool have long been recognized as being a part of a complex system of interrelated gas-bearing and/or oil-bearing stringers, the administration of which both for the prevention of waste and the protection of correlative rights is unusually complicated.

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(6) That the complexity of protecting correlative rights in the subject pools is further aggravated by the differential between casinghead gas allowables assigned to the oil wells in the Blinebry Oil Pool and gas allowables assigned to the gas wells in the Blinebry Gas Pool.

(7) That after diligent examination of the record in the subject case, the Commission has determined that the notice of the hearing and the record of the hearing are both insufficient to the entry of an order which will adequately prevent waste and yet afford the greatest protection to the correlative rights of all operators.

(8) That Case No. 4775 should be dismissed, and the Secretary-Director of the Commission should appoint a committee of interested operators in the Blinebry Gas Pool and the Blinebry Oil Pool to make a study of the pools and to make recommendations to the Commission at a hearing which should be called by the Commission no later than six months after the entry of this order.

IT IS THEREFORE ORDERED:

(1) That Case No. 4775 is hereby dismissed.

(2) That the Secretary-Director of the Commission appoint a Blinebry Pool Study Committee, composed of no less than 15 operators in the Blinebry Gas Pool and the Blinebry Oil Pool, and no less than two major gas purchasers in said pools; that any operator not appointed to the Committee shall be permitted to attend the meetings of the Committee and be permitted full expression as though a member; that the District Supervisor of the Commission's Hobbs District Office shall be appointed Chairman of the Committee; and that the Chairman of the Committee shall issue notice to Committee members and to all other operators in the Blinebry Gas Pool and the Blinebry Oil Pool of the time of all meetings of the Committee, and the place of all such meetings, which shall be the Commission's District Office, 1000 West Broadway, Hobbs, New Mexico.

(3) That a case be called no later than November 20, 1973, to consider the amendment of the Blinebry Pool Rules.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

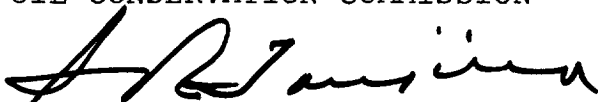
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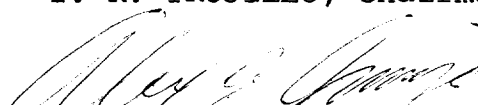
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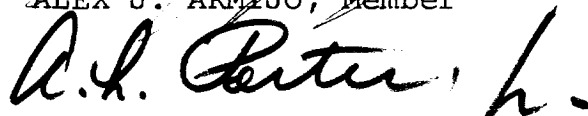
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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

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