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:

NOMENCLATURE

CASE NO. 10245 ORDER NO. R-9467-A

APPLICATION OF CONOCO, INC. FOR POOL CREATION, SPECIAL POOL RULES, AND CONTRACTION OF THE BLINEBRY OIL AND GAS POOL AND WARREN-TUBB GAS POOL, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION STAYING ORDER NO. R-9467

BY THE DIVISION:

This matter having come before the Division upon the request of Conoco, Inc. for a Stay of Division Order No. R-9467 and the Division Director having considered the request and being fully advised in the premises,

NOW, on this 11thday of April, 1991, the Division Director:

FINDS THAT:

- (1) By Division Order No. R-9467, dated March 15, 1991, the Division at the request of Conoco, Inc. created, designated and promulgated Special Rules and Regulations for the Warren-Blinebry Tubb Oil and Gas Pool, located in Township 20 South, Range 38 East, NMPM, Lea County, New Mexico. Said order was a companion case to the Division's approval of Conoco's request for expansion of its Conoco Southland Blinebry Cooperative Waterflood Project in Division Case No. 10220 (Order No. R-6906-B).
 - (2) Further, Division Order No. R-9467 also provided for the following:
 - 1) an expansion and contraction to the horizontal limits of the Blinebry Oil and Gas Pool;

- 2) a contraction to the horizontal limits of the Warren-Tubb Gas Pool; and
- 3) the creation and designation of the East Warren-Tubb Gas Pool.
- (3) The effective date for said Order No. R-9467 was authorized to be March 1, 1991.
- (4) Subsequent to the issuance of said Order No. R-9467 the applicant, Conoco, Inc. has requested a 90-day postponement of the March 1, 1991 effective date of this order.
- (5) The applicant failed to solicit from the United States Bureau of Land Management (BLM) approval of a new and separate participating area for the acreage included in said waterflood expansion and in Order R-9467 prior to recognizing the existence of the newly created pool in their accounting system.
- (6) The Bureau of Land Management can not reclassify the subject wells according to the newly established OCD nomenclature until a new participating area has been requested by Conoco, justified by engineering and geological study, and approved by the BLM.
- (7) Because of the time required to file for and secure such BLM action, the effective date used in Order No. R-9467, if implemented, will result in confusion and substantial administrative burden on the BLM, the NMOCD and Conoco.
- (8) BLM action on this request could take at least ninety days and perhaps substantially longer.
- (9) Due to Conoco's oversight in this matter it is necessary for the efficient administration of this project that the March 1, 1991 effective date of the Division's Order R-9467 be stayed and coordinated to correspond to an effective date acceptable to the Bureau of Land Management.

IT IS THEREFORE ORDERED THAT:

(1) Division Order R-9467 and its effective date of March 1, 1991 are hereby stayed pending further order of the Division.

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- (2) This matter shall be placed on the next available Division Examiner's docket for Conoco, Inc. to appear and show cause why this Stay Order should not be vacated.
- (3) 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