

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

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 21, 1991, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 15th day of March, 1991, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and having been 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) The record, evidence and testimony presented in Division Case No. 10220 were incorporated into the record in this case upon the request of the applicant.

(3) The applicant, Conoco Inc., seeks the creation of a new oil and gas pool for Blinebry and Tubb production comprising the following described acreage in Lea County, New Mexico, said pool to be designated the Warren-Blinebry Tubb Oil and Gas Pool, and the promulgation of special rules and regulations therefor,

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including a provision to allow for simultaneous dedication of pool acreage to both oil and gas wells, special gas allowable considerations, and any other provisions deemed necessary for such a pool:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 22: S/2 S/2
Section 26: All
Section 27: All
Section 33: All
Section 34: All
Section 35: N/2 N/2

(4) In conjunction with the proposed pool creation, the applicant further seeks the concomitant contraction of the Blinebry Oil and Gas Pool and the Warren-Tubb Gas Pool by the deletion therefrom the following described acreage:

Blinebry Oil & Gas Pool
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 22: S/2 SE/4
Section 26: All
Section 27: All
Section 33: All
Section 34: All
Section 35: N/2 N/2

Warren-Tubb Gas Pool
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: S/2
Section 25: SW/4
Section 26: All
Section 27: All
Section 34: NW/4
Section 35: NW/4
Section 36: NW/4

(4) The applicant further seeks the creation of a new gas pool for Tubb production comprising the following described acreage in Lea County New Mexico, said pool to be designated the East Warren-Tubb Gas Pool.

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: S/2
Section 24: SW/4
Section 25: W/2
Section 36: NW/4

(5) The applicant proposes that the upper and lower limits of the Warren-Blinebry Tubb Oil & Gas Pool be defined as a point 75 feet above the Blinebry marker and the base of the Tubb formation, respectively. The Blinebry marker having been found to occur at a depth of 5940 feet, and the base of the Tubb formation having been found to occur at a depth of 6741 feet on the Density/Neutron Log run on the Warren Unit Well No. 37, located in Unit J, Section 27, Township 20 South, Range 38 East, NMPM, on November 24, 1975 from a kelly bushing elevation of 3558 feet.

(6) The creation of the Warren Blinebry-Tubb Oil & Gas Pool is for the purpose of expanding the current North Blinebry Waterflood Project to include all of the above described horizontal acreage and vertical interval which was the subject of Division Case No. 10220.

(7) Conoco also seeks the promulgation of special rules and regulations for the proposed Warren Blinebry-Tubb Oil and Gas Pool.

(8) The applicant testified that over the operational history of the Blinebry Oil and Gas Pool and the Warren Tubb Oil and Gas Pool, the Division has allowed commingling of oil zones in the pools within the wellbores of numerous wells in the subject area.

(9) This commingling has resulted in the development of effective communication between the two pools, which has in turn resulted in similar formation pressures and production responses.

(10) Consequently, the vertical interval containing the Blinebry and Tubb formations more closely resembles, at this late stage of primary development, one common single source of supply.

(11) The applicant further presented evidence and testimony which indicates that secondary recovery operations conducted

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simultaneously within the Blinebry and Tubb formations would be the most efficient method of operation and would result in the recovery of the maximum amount of secondary reserves from the subject formations within the subject area.

(12) In order to prevent waste caused by the loss of secondary reserves resulting from inefficient secondary recovery operations, and by the unnecessary duplication of facilities required to conduct separate waterflood operations within the two subject formations, the application of Conoco for the creation of a new oil and gas pool for the purpose of conducting secondary recovery operations should be approved.

(13) In order to assure the orderly development and operation of the proposed secondary recovery project within the Warren Blinebry-Tubb Oil and Gas Pool, special rules and regulations, including, but not limited to, well location requirements, classification, acreage dedication, and reporting procedures should be adopted.

(14) The applicant further requested at the hearing that the special rules and regulations allow for simultaneous dedication of acreage to oil and gas wells within the pool boundary, however, subsequent to the hearing the applicant informed the Division that such a provision was unnecessary.

(15) Since the above requests for contractions will create non-contiguous blocks in the Blinebry Oil and Gas Pool, the following described acreage should be added to said pool:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 21: SE/4
Section 22: N/2 SW/4
Section 32: E/2 NE/4

IT IS THEREFORE ORDERED THAT:

(1) A new pool for Blinebry and Tubb production is hereby created and designated the Warren-Blinebry Tubb Oil and Gas Pool with upper and lower limits defined as a point 75 feet above the Blinebry marker and the base of the Tubb formation, respectively. The Blinebry marker having been found to occur at a depth of 5940 feet, and the base of the Tubb formation having been found to occur at a depth of 6741 feet on the Density/Neutron Log run on the Warren Unit Well No. 37, located in Unit J, Section 27, Township 20 South, Range 38 East, NMPM,

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on November 24, 1975 from a kelly bushing elevation of 3558 feet, and comprising the following described acreage in Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 22: S/2 S/2
Section 26: All
Section 27: All
Section 33: All
Section 34: All
Section 35: N/2 N/2

(2) The horizontal boundaries of the Blinebry Oil and Gas Pool and the Warren-Tubb Gas Pool, are hereby contracted by the deletion therefrom the following described acreage:

Blinebry Oil & Gas Pool
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 22: S/2 SE/4
Section 26: All
Section 27: All
Section 33: All
Section 34: All
Section 35: N/2 N/2

Warren-Tubb Gas Pool
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: S/2
Section 25: SW/4
Section 26: All
Section 27: All
Section 34: NW/4
Section 35: NW/4
Section 36: NW/4

(3) A new pool for Tubb production is hereby created and designated the East Warren-Tubb Gas Pool comprising the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: S/2

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Section 24: SW/4
Section 25: W/2
Section 36: NW/4

(4) The Blinebry Oil and Gas Pool is hereby expanded to include the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 21: SE/4
Section 22: N/2 SW/4
Section 32: E/2 NE/4

(5) Temporary special Rules and Regulations governing operations within the Warren-Blinebry Tubb Oil and Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE
WARREN-BLINEBRY TUBB OIL AND GAS POOL

RULE 1. Each well completed or recompleted in the Warren-Blinebry Tubb Oil and Gas Pool or in the Blinebry or Tubb formations within the designated pool boundaries shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. A producing oil well within the Warren-Blinebry Tubb Oil and Gas Pool shall have dedicated to it a tract consisting of 40 acres comprised of a governmental quarter-quarter section or lot and shall be located no closer than 330 feet to any outer boundary of such tract.

RULE 3. The Division Director shall have authority to grant exceptions to the well location requirements of Rule 2 in accordance with the terms and provisions of General Rule 104(F), and provided the requirements contained in said rule are complied with.

RULE 4. An oil well in the Warren-Blinebry Tubb Oil and Gas Pool shall be defined as a well producing hydrocarbons possessing a gravity of 45 degrees API or less.

RULE 5. Oil wells in the Warren-Blinebry Tubb Oil and Gas Pool shall have capacity allowables and shall be exempt

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from the oil and casinghead gas allowables as provided in either Division Rule 701 F(3) or Rules 503, 505, and 506.

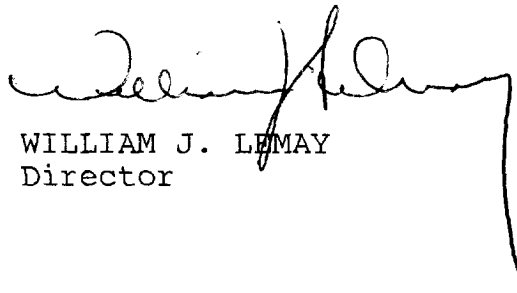
(6) The effective date of this order shall be March 1, 1991.

(7) The horizontal limits of the Warren-Blinebry Tubb Oil and Gas Pool shall be expanded only after notice and hearing, provided however, any expansion of said pool shall be only for the purpose of expanding or approving any secondary recovery operations within the pool.

(8) 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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