

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 10444 (DE NOVO)  
Order No. R-9696-A

APPLICATION OF AMERADA HESS CORPORATION  
FOR POOL CREATION, SPECIAL POOL RULES  
AND THE CONTRACTION OF THE VERTICAL  
LIMITS OF THE HOBBS-BLINEBRY POOL,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 14, 1993, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 29th day of January, 1993, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

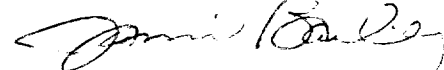
Amerada Hess Corporation, as applicant for hearing De Novo in this case, has requested dismissal thereof and such request should be granted.

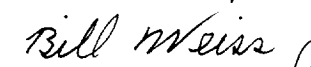
IT IS THEREFORE ORDERED THAT:

Case 10444 De Novo is hereby dismissed and Division Order No. R-9696 is hereby continued in full force and effect until further notice.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
JAMI BAILEY, Member

  
WILLIAM W. WEISS, Member

  
WILLIAM J. LEMAY, Chairman

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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:

*(REOPENED) CASE NO. 10444  
ORDER NO. R-9696-A*

**APPLICATION OF AMERADA HESS CORPORATION FOR POOL CREATION,  
SPECIAL POOL RULES AND THE CONTRACTION OF THE VERTICAL LIMITS  
OF THE HOBBS-BLINEBRY POOL, LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 1, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 21<sup>st</sup> day of September, 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) Order No. R-9696, issued in Case 10444 and dated July 17, 1992, provided for the creation of the Hobbs-Lower Blinebry Pool and established Temporary Special Rules for the pool including a provision for 80-acre spacing. The case was reopened to give operators an opportunity to appear and show cause why the temporary rules should not be rescinded and why both the Upper and Lower Blinebry Pools should not be rejoined and redesignated the Hobbs-Blinebry Pool.
- (3) Amerada Hess Corporation (Amerada), the original applicant, appeared at the reopened hearing to request continued OCD designation of the Hobbs-Lower Blinebry Pool and permanent adoption of the temporary rules.
- (4) Amerada reviewed the evidence which had been presented at the 1992 hearing which showed that its State "A" Well No. 5 had been completed in a new Blinebry reservoir within the horizontal and vertical limits of the Hobbs-Blinebry Pool.

(5) Amerada submitted bottomhole pressure information from the Upper and Lower Blinebry intervals. The pressure difference indicates geological separation of the two zones.

(6) Well log information was submitted which shows a twenty-foot thick shale bed between the Upper and Lower Blinebry intervals.

(7) Data was submitted to show that produced hydrocarbon liquids from the two zones are different. The Upper Blinebry produces black oil with an API gravity of 38.4 degrees. The Lower Blinebry produces gas condensate with a gravity of 49.4 degrees API.

(8) Amerada presented volumetric reserve calculations and then showed by analysis of a pressure versus cumulative recovery plot that their State "A" Well No. 5 is capable of efficiently draining 80 acres.

(9) In April 1994, Amerada's State "A" Well No. 5 averaged 6 BOPD, 2 BWPD and 335 MCF per day. The daily oil allowable under current rules is 222 barrels and the daily gas limit is 444 MCF. There is one other well in the pool, Shell's Shell "A" State Well No. 7. OCD records show that it averaged 2 BOPD, and 64 MCFD in July 1994.

(10) No operator or interest owner appeared at the hearing in opposition to Amerada's request.

(11) Based on the evidence presented by Amerada, the Hobbs-Lower Blinebry Pool designation should be continued and the temporary pool rules should be made permanent.

IT IS THEREFORE ORDERED THAT:

(1) The Temporary Special Rules and Regulations for the Hobbs-Lower Blinebry Pool, as adopted in Order No. R-9696, are hereby continued in full force and effect until further order of the Division.

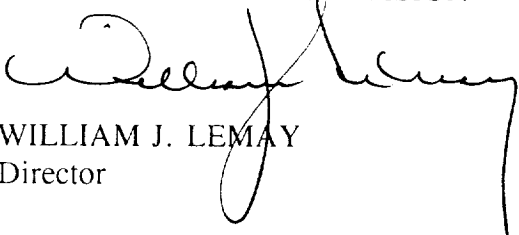
(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

*(Reopened) Case No. 10444*  
*Order No. R-9696-A*  
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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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