

**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. 10552
Order No. R-9745**

**APPLICATION OF ARCO OIL AND GAS COMPANY
FOR POOL CREATION AND CONTRACTION AND,
IF APPLICABLE, POOL EXTENSIONS AND/OR
REDESIGNATION, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 17, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of October, 1992, 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 Case Nos. 10552, 10553 and 10554 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, ARCO Oil and Gas Company (ARCO), seeks the creation of a new pool for the production of oil and gas from the Blinebry, Tubb and Drinkard formations, said pool to be designated the Justis Blinebry-Tubb-Drinkard Pool comprising the following described acreage in Lea County, New Mexico:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 11: N/2, SE/4, E/2 SW/4
Section 12: W/2, W/2 SE/4
Section 13: All
Section 14: E/2, E/2 W/2
Section 23: E/2, E/2 NW/4, NE/4 SW/4
Sections 24 and 25: All
Section 26: NE/4, N/2 SE/4, SE/4 SE/4
Section 35: E/2 NE/4
Section 36: All

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM

Section 19: W/2 W/2
Section 30: W/2 W/2
Section 31: W/2 W/2

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 1: N/2 NE/4

(4) The applicant further proposes to define the vertical limits of the Justis Blinebry-Tubb-Drinkard Pool to include the Blinebry, Tubb and Drinkard formations from a depth of 4980 feet to a depth of 6180 feet as found on the log run on the ARCO Ida Wimberly Well No. 4 located 660 feet from the South line and 990 feet from the West line (Unit M) of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) The applicant seeks the creation of said pool for the purpose of instituting a secondary recovery project (being the subject of Case No. 10554) within the horizontal and vertical boundaries described above.

(6) The proposed horizontal boundaries of the Justis Blinebry-Tubb-Drinkard Pool conform to the boundaries of the South Justis Unit Area, approved by Division Order No. R-9746.

(7) In conjunction with the proposed pool creation, the applicant further seeks the concomitant contraction of those portions of the Justis-Blinebry Pool and the Justis Tubb-Drinkard Pools which lie within the South Justis Unit Area.

(8) The applicant testified that over the operational history of the Justis-Blinebry Pool and the Justis Tubb-Drinkard Pool, the Division has allowed commingling of these pools within the wellbores of numerous wells in the subject area.

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

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

(11) The evidence further established that the Blinebry, Tubb and Drinkard formations were of similar rock quality and that the development of the reserves in these zones as separate pools has been a factor of the historical development of this area and is not based on the geological characteristics of these zones.

(12) The applicant further presented evidence and testimony which indicates that secondary recovery operations conducted simultaneously within the Blinebry, Tubb and Drinkard formations would be the most effective method of operation and would result in the recovery of the maximum amount of secondary reserves from the subject formations within the subject area.

(13) 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 three subject formations, ARCO's application for the creation of a new pool for the purpose of conducting secondary recovery operations should be approved.

(14) Approval of the horizontal boundaries of the Justis Blinebry-Tubb-Drinkard Pool and the concomitant contraction of the Justis-Blinebry and Justis Tubb-Drinkard Pools as proposed by the applicant will result in portions of the Justis-Blinebry and Justis Tubb-Drinkard Pools being segregated and non-contiguous with the remaining acreage in these pools.

(15) Division policy regarding nomenclature dictates that pools generally must be contiguous.

(16) The proposed boundaries of the Justis Blinebry-Tubb-Drinkard Pool should be expanded outside the South Justis Unit Area to include those portions of the Justis-Blinebry and Justis Tubb-Drinkard Pool whose exclusion would result in non-contiguous acreage within these pools.

(17) The Justis Blinebry-Tubb-Drinkard Pool should comprise the following described area:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Sections 11 through 14: All
Sections 23 through 25: All
Section 26: E/2, SW/4
Section 35: E/2
Section 36: All

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM

Section 18: SW/4
Section 19: NW/4, W/2 SW/4
Section 30: W/2
Section 31: W/2

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 1: All
Section 12: W/2

TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM

Section 6: NW/4

(18) The Justis-Blinebry and Justis Tubb-Drinkard Pools should be contracted by the deletion therefrom of the following described acreage:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

<u>Justis-Blinebry</u>		<u>Justis Tubb-Drinkard</u>
Section 11:	All	All
Section 12:	All	S/2, NW/4
Section 13:	All	All
Section 14:	All	NE/4, E/2 NW/4, E/2 SE/4, SW/4 SE/4
Section 23:	All	E/2, NW/4
Section 24:	All	All
Section 25:	All	All
Section 26:	E/2, SW/4	NE/4, E/2 SE/4
Section 35:	E/2	E/2 NE/4
Section 36:	All	All

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM

Section 18: SW/4 -----
Section 19: NW/4 W/2 W/2
Section 30: W/2 W/2 NW/4, NW/4 SW/4
Section 31: W/2 NW/4

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 1: N/2 E/2, SW/4
Section 12: ----- W/2

TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM

Section 6: NW/4 -----

IT IS THEREFORE ORDERED THAT:

(1) A new pool for Blinebry, Tubb and Drinkard production is hereby created and designated the Justis Blinebry-Tubb-Drinkard Pool comprising vertical limits defined from a depth of 4980 feet to a depth of 6180 feet as shown on the type log run on the ARCO Ida Wimberly Well No. 4 located 660 feet from the South line and 990 feet from the West line of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, and with horizontal limits comprised of the following described acreage:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Sections 11 through 14: All
Sections 23 through 25: All
Section 26: E/2, SW/4
Section 35: E/2
Section 36: All

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM

Section 18: SW/4
Section 19: NW/4, W/2 SW/4
Section 30: W/2
Section 31: W/2

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 1: All
Section 12: W/2

TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM

Section 6: NW/4

(2) The horizontal boundaries of the Justis-Blinebry and Justis Tubb-Drinkard Pools are hereby contracted by the deletion therefrom of the following described acreage:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

<u>Justis-Blinebry</u>	<u>Justis Tubb-Drinkard</u>
Section 11: All	All
Section 12: All	S/2, NW/4
Section 13: All	All
Section 14: All	NE/4, E/2 NW/4, E/2 SE/4, SW/4 SE/4
Section 23: All	E/2, NW/4
Section 24: All	All
Section 25: All	All
Section 26: E/2, SW/4	NE/4, E/2 SE/4
Section 35: E/2	E/2 NE/4
Section 36: All	All

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM

Section 18: SW/4	-----
Section 19: NW/4	W/2 W/2
Section 30: W/2	W/2 NW/4, NW/4 SW/4
Section 31: W/2	NW/4

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 1: N/2	E/2, SW/4
Section 12: -----	W/2

TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM

Section 6: NW/4	-----
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(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

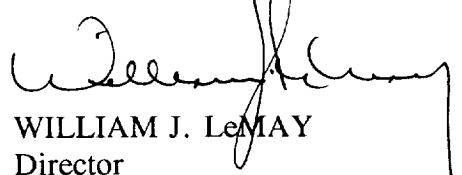
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LeMAY
Director

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