

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 799
Order No. R-576

THE APPLICATION OF THE OHIO OIL
COMPANY FOR AN ORDER AUTHORIZING
THE FORMATION AND ESTABLISHMENT
OF A NON-STANDARD GAS PRORATION
UNIT OF 320 CONTIGUOUS ACRES CONSIST-
ING OF THE NW/4 AND THE N/2 SW/4 OF
SECTION 5, TOWNSHIP 20 SOUTH, RANGE
37 EAST, AND THE S/2 SW/4 OF SECTION
32, TOWNSHIP 19 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO, IN
THE EUMONT GAS POOL, AND FOR ASSIGN-
MENT OF THE ACREAGE IN SUCH UNIT TO
THE OHIO OIL COMPANY'S BERTHA BARBER
WELL NO. 11 FOR GAS PRORATION PURPOSES
IN THE EUMONT GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on December 16, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 9th., day of February, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal section after notice and hearing by the Commission.

Case No. 799
Order No. R-576

(3) That applicant, The Ohio Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than a legal section, and described as follows, to-wit:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NW/4 and N/2 SW/4 of Section 5

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
S/2 SW/4 of Section 32

containing 320 acres, more or less.

(4) That applicant, The Ohio Oil Company, has a producing gas well on the aforesaid lease, known as The Ohio Oil Company's Bertha Barber Well No. 11, located 330 feet from the west line and 990 feet from the north line of Section 5, Township 20 South, Range 37 East, said location being 330 feet from the west line and 2310 feet from the north line of the above-described contiguous acreage.

(5) That the aforesaid well is located within the horizontal limits of the pool heretofore delineated and designated as the Eumont Gas Pool.

(6) That the aforesaid well, completed in November 1952, is producing from within the vertical limits of the Eumont Gas Pool and should be classified as a gas well producing from the Eumont Gas Pool.

(7) That it is impractical to pool applicant's said lease with adjoining acreage in either of said sections, and that the owners of adjoining acreage have not offered to pool their acreage with the acreage included in the proposed proration unit.

(8) That all of the acreage in the proposed unit is reasonably presumed to be productive of gas from the Eumont Gas Pool, and unless a proration unit consisting of applicant's aforesaid acreage is approved and authorized and assigned to The Ohio Oil Company's Bertha Barber Well No. 11 for the purpose of gas proration in said pool, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Eumont Gas Pool.

(9) That the creation of a proration unit consisting of the aforesaid acreage and the assignment of such acreage to the well identified above will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of The Ohio Oil Company for approval of a non-standard gas proration unit consisting of the following described acreage

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
NW/4 and N/2 SW/4 of Section 5

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
S/2 SW/4 of Section 32

is hereby approved and a gas proration unit consisting of the aforesaid acreage is hereby created in the Eumont Gas Pool.

(2) That, for the purposes of gas proration in the Eumont Gas Pool, the acreage included in said unit is hereby assigned to The Ohio Oil Company's Bertha Barber Well No. 11, which well is located in the NW/4 NW/4 of Section 5, Township 20 South, Range 37 East, NMPM; that said well shall be considered to be completed in the Eumont Gas Pool, and that said well shall be granted an allowable from the 1st day of March, 1955, in the proportion that 320 acres bears to the acreage included in the standard or orthodox proration unit for the Eumont Gas Pool, all until further order of the Commission.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

S E A L

ir



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



November 30, 1992

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Marathon Oil Company
Attention: Brent D. Lockhart
P.O. Box 552
Midland, TX 79702

Administrative Order NSL-3203(SD)

Dear Mr. Lockhart:

Reference is made to your application dated November 6, 1992, for an unorthodox Eumont gas well location in an existing non-standard 320-acre gas spacing and proration unit (GPU) for said Eumont Gas Pool comprising the S/2 SW/4 of Section 32, Township 19 South, Range 37 East and the NW/4, N/2 SW/4 of Section 5, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order R-576, dated February 9, 1995 and had dedicated thereon the Bertha Barber Well No. 11 located in Unit D of said Section 5.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170 as amended, the following described well, to be recompleted from the Monument San Andres Pool and located at an unorthodox gas well location, is hereby approved:

*Bertha Barber Well No. 4
1980 FS & EL (Unit K) of said Section 5.*

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Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from the Bertha Barber Well No. 4 with the Bertha Barber Well No. 11. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both of the said wells in any proportion.

Sincerely,

William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

December 29, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Marathon Oil Company
Attention: Brent D. Lockhart
P.O. Box 552
Midland, TX 79702

Administrative Order NSL-3203-A(SD)

Dear Mr. Lockhart:

Reference is made to your application dated November 6, 1992, for an unorthodox Eumont gas well location in an existing non-standard 320-acre gas spacing and proration unit (GPU) for said Eumont Gas Pool comprising the S/2 SW/4 of Section 32, Township 19 South, Range 37 East and the NW/4 and N/2 SW/4 of Section 5, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order R-576, dated February 9, 1955 and had dedicated thereon the Bertha Barber Well No. 11 located in Unit D of said Section 5.

By Division Order NSL-3203(SD), dated November 30, 1992 and corrected on December 5, 1992, the Bertha Barber Well No. 4 was approved to be recompleted to the Eumont Gas Pool from the Monument San Andres Pool at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of said Section 5.

It is our understanding that the subject well to be considered at this time is temporarily abandoned in the Eunice Monument Grayburg San Andres Pool, however, said well will be plugged back to the Eumont Gas Pool upon issuance of this order.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Eumont Gas Pool, as promulgated by Division Order No. R-8170 as amended, the following described well and located at an unorthodox gas well location, is hereby approved:

*Bertha Barber Well No. 6
1980 FSL & 660' FWL (Unit L) of said Section 5.*

Also, you are hereby authorized to simultaneously dedicate Eumont Gas production from the Bertha Barber Well No. 6 with the Bertha Barber Well Nos. 6 and 11. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all of the said wells in any proportion.

Administrative Order NSL-3203-A(SD)

Marathon Oil Company

December 29, 1992

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All provisions of Division Administrative Order NSL-3203(SD) and Division Order R-576 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written in a cursive style with a large, looping initial "W".

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
File: NSL-3203(SD)

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNORANITA LOCKWOOD
CABINET SECRETARYPOST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

February 3, 1994

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Meftah Tiss and Thomas M. Price

Administrative Order SD-94-1

Dear Messrs. Tiss and Price:

Reference is made to applications from both of you dated December 31, 1993 and January 7, 1994. Marathon Oil Company ("Marathon") is hereby authorized to simultaneously dedicate Eumont Gas Pool production to the previously approved non-standard 320.56-acre gas spacing and proration unit ("GPU") comprising the S/2 SW/4 of Section 32, Township 19 South, Range 37 East, NMPM and Lots 3 and 4 (N/2 NW/4 equivalent), the S/2 NW/4, and the N/2 SW/4 of Section 5, Township 20 South, Range 37 East, NMPM, all in Lea County, New Mexico (Division Order No. R-576, dated February 9, 1955) from the following five wells:

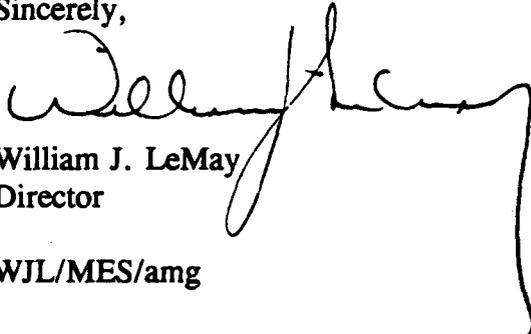
- the existing Bertha Barber Well No. 11 (API No. 30-025-05916) located at a previously approved unorthodox gas well location (also authorized by said Order No. R-576) 990 feet from the North line and 330 feet from the East line (Unit D) of said Section 5;
- the existing Bertha Barber Well No. 4 (API No. 30-025-05909) located at a previously approved unorthodox gas well location [Division Administrative Order NSL-3203(SD), dated November 30, 1992 and corrected on December 5, 1992] 1980 feet from the South and West lines (Unit K) of said Section 5;
- the existing Bertha Barber Well No. 6 (API No. 30-025-05911) located at a previously approved unorthodox gas well location [Division Administrative Order NSL-3203-A(SD), dated December 29, 1992] 1980 feet from the South line and 660 feet from and West line (Unit L) of said Section 5;

Administrative Order SD-94-1
Marathon Oil Company
February 3, 1994
Page 2

- the existing Bertha Barber Well No. 8 (API No. 30-025-05913) to be recompleted up-hole from the Eunice-Monument Grayburg San Andres Pool and located at a standard Eumont gas well location 1980 feet from the North line and 660 feet from and West line (Unit E) of said Section 5; and,
- from the proposed Bertha Barber Well No. 13 (API No. 30-025-32384) to be drilled at a standard Eumont gas well location 330 feet from the South line and 1980 feet from and West line (Unit N) of said Section 32.

Further, Marathon is permitted to produce the allowable assigned said non-standard 320.56-acre GPU from all five wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
File: NSL-3203(SD)
NSL-3203-A(SD)

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

2040 S. PACHECO
SANTA FE, NEW MEXICO 8-505
(505) 827-7131

November 10, 1994

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702-0552

Attention: Meftah Tiss

Administrative Order SD-94-1.1

Dear Mr. Tiss:

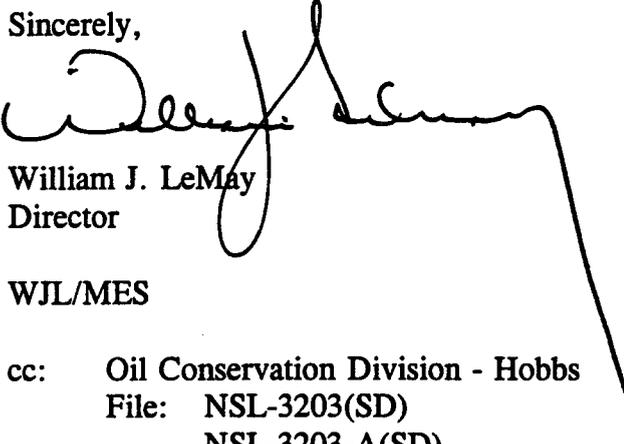
Reference is made to your application dated July 15, 1994. Marathon Oil Company ("Marathon") is hereby authorized to simultaneously dedicate Eumont Gas Pool production to the previously approved non-standard 320.56-acre gas spacing and proration unit ("GPU") comprising the S/2 SW/4 of Section 32, Township 19 South, Range 37 East, NMPM and Lots 3 and 4 (N/2 NW/4 equivalent), the S/2 NW/4, and the N/2 SW/4 of Section 5, Township 20 South, Range 37 East, NMPM, all in Lea County, New Mexico (Division Order No. R-576, dated February 9, 1955) from the following seven five wells:

- the existing Bertha Barber Well No. 11 (API No. 30-025-05916) located at a previously approved unorthodox gas well location (also authorized by said Order No. R-576) 990 feet from the North line and 330 feet from the East line (Unit D) of said Section 5;
- the existing Bertha Barber Well No. 4 (API No. 30-025-05909) located at a previously approved unorthodox gas well location [Division Administrative Order NSL-3203(SD), dated November 30, 1992 and corrected on December 5, 1992] 1980 feet from the South and West lines (Unit K) of said Section 5;
- the existing Bertha Barber Well No. 6 (API No. 30-025-05911) located at a previously approved unorthodox gas well location [Division Administrative Order NSL-3203-A(SD), dated December 29, 1992] 1980 feet from the South line and 660 feet from and West line (Unit L) of said Section 5;

- the existing Bertha Barber Well No. 8 (API No. 30-025-05913) to be recompleted up-hole from the Eunice-Monument Grayburg San Andres Pool and located at a standard Eumont gas well location 1980 feet from the North line and 660 feet from and West line (Unit E) of said Section 5;
- the existing Bertha Barber Well No. 13 (API No. 30-025-32384) located at a standard Eumont gas well location 330 feet from the South line and 1980 feet from and West line (Unit N) of said Section 32,;
- the newly drilled Bertha Barber Well No. 14 (API No. 30-025-32385) located at a standard Eumont gas well location 330 feet from the South line and 730 feet from and West line (Unit M) of said Section 32; and,
- from the proposed Bertha Barber Well No. 15 (API No. 30-025-32532) to be drilled at a standard Eumont gas well location 990 feet from the North line and 1980 feet from and West line (Lot 3/Unit C) of said Section 5.

Further, Marathon is permitted to produce the allowable assigned said non-standard 320.56-acre GPU from all seven wells in any proportion.

Sincerely,



William J. LeMay
Director

WJL/MES

cc: Oil Conservation Division - Hobbs
File: NSL-3203(SD)
NSL-3203-A(SD)
SD-94-1



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

October 16, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Marathon Oil Company
P. O. Box 2490
Hobbs, New Mexico 88240
Attention: **Thomas P. Kacir**
TPKacir@MarathonOil.com

Administrative Order NSL-3203-B (SD)

Dear Mr. Kacir:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on August 15, 2001 (*application reference No. pKRV0-122754393*); (ii) the Division's initial response by letter dated August 30, 2001 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your response of September 6, 2001 with the required data attached to complete this application; and (iv) the Division's records in Santa Fe: all concerning Marathon Oil Company's ("Marathon") requests for an unorthodox Eumont infill gas well location within an existing non-standard 320.56-acre gas spacing and proration unit ("GPU") for the Eumont Gas Pool (76480) comprising the following described acreage in Lea County, New Mexico:

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 32: S/2 SW/4

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 5: Lots 3 and 4, S/2 NW/4, and N/2 SW/4.

The rules and procedures currently governing the Eumont Gas Pool include but are not necessarily limited to:

- (i) the "*Special Rules and Regulations for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170, as amended;
- (ii) Division Rule 605.B;
- (iii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999;
- (iv) Rule 1207.A (2); and

(v) the amended Stipulated Declaratory Judgment of the First Judicial District Court in Santa Fe County, New Mexico issued on July 11, 2001 in Hartman vs. Oil Conservation Division, Cause No. D-0101-CV-9902927 ("Stipulated Declaratory Judgment").

By Division Order No. R-576, issued in Case No. 799 on February 9, 1955, this 320.56-acre GPU was initially established for the Bertha Barber Well No. 11 (API No. 30-025-05916), located 990 feet from the North line and 330 feet from the East line (Lot 4/Unit D) of Section 5.

By Division Administrative Order NSL-3203 (SD), dated November 30, 1992, the following described initial infill well at an unorthodox gas well location was approved for this GPU:

Bertha Barber Well No. 4 (API No. 30-025-05909, located 1980 feet from the South and West lines (Unit K) of Section 5.

By Division Administrative Order NSL-3203-A (SD), dated December 29, 1992, a second infill well for this GPU, the Bertha Barber Well No. 6 (API No. 30-025-05911), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 5 was approved.

As referenced by Division correspondence dated February 3, 1994 entitled "Administrative Order SD-94-1" the Division acknowledged the addition of the following two wells to this 320.56-acre GPU:

(1) Bertha Barber Well No. 8 (API No. 30-025-05913), located at a standard infill gas well location for this GPU 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 5; and

(2) Bertha Barber Well No. 13 (API No. 30-025-32384), also located at a standard infill gas well location for this GPU 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 32.

The most recent correspondence from the Division to address this GPU and the number of wells simultaneously dedicated to it was "Administrative Order SD-94-1.1", dated November 10, 1994, which acknowledged the addition of the following two described wells:

(1) Bertha Barber Well No. 14 (API No. 30-025-32385), located at a standard infill gas well location for this GPU 330 feet

from the South line and 730 feet from the West line (Unit M) of Section 32; and

(2) Bertha Barber Well No. 15 (API No. 30-025-32532), located at a standard infill gas well location for this GPU 990 feet from the North line and 1980 feet from the West line (Lot 3/Unit C) of Section 5.

From your application, it is our understanding that the above-described Bertha Barber Well No. 6, which was the subject of Division Administrative Order NSL-3203-A (SD), was plugged and abandoned in March, 1999 and should therefore be omitted from this GPU.

It is further understood that the subject well to be considered at this time is currently completed in the Monument-Blinebry Pool at a standard oil well location within a standard 40-acre oil spacing and proration unit comprising the NW/4 SW/4 (Unit L) of Section 5; however, it is to be plugged back and recompleted up-hole into the Eumont Gas Pool upon issuance of this order. Pursuant to Rule 2 (b) 4 of the Eumont special pool rules, this location is considered to be unorthodox for the subject 320.56-acre GPU.

By the authority granted me under the provisions of these rules, regulations, and directives, the following described well, located at an unorthodox Eumont gas well location in Section 5, is hereby approved:

Bertha Barber Well No. 10
1980' FSL & 560' FWL (Unit L)
(API No. 30-025-05915).

Also, Marathon is hereby authorized to simultaneously dedicate Eumont gas production from the Bertha Barber Well No. 10 with the existing Bertha Barber Wells No. 4, 8, 11, 13, 14, and 15. Furthermore, Marathon is permitted to produce the allowable assigned the subject 320.56-acre GPU from all seven wells in any proportion

It is further ordered that Division Administrative Order NSL-3203-A (SD) is hereby rescinded at this time and that all provisions applicable to the subject GPU in Division Administrative Orders NSL-3203 (SD), SD-94-1, and SD-94-1.1, not in conflict with this order, shall remain in full force and affect until further notice.

Administrative Order NSL-3203-B(SD)
Marathon Oil Company
October 16, 2001
Page 4

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery" followed by a stylized monogram or initials.

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSL-3203 (SD),
NSL-3203-A (SD)
SD-94-1
SD-94-1.1

