LOGGED BY

### NEW MEXICO OIL CONSERVATION DIVISION

SEMU-166

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET THIS COVERSHEET IS MANDATORY FOR ALL A DMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS **Application Acronyms:** [NSP -Non-Standard Prorat ion Unit] [NS L-Non-Standard Locati on] [DD-Directional Drilling] [SD-Simultaneous Dedication] [DHC-Dow nhole Com mingling] [CTB-Lease Comm ingling] [PLC-Pool /Lease Comm ingling] [PC-Pool Commingling] [OLS - Off-Lease St orage] [OLM-Off-Lease Meas urement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Sal t Water Disposal] [IPI-Injection Press ure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response] **TYPE OF APPLICATION -** Check Those Which Apply for [A] [1] Location - Spacing Unit - Directional Drilling [A] **⊠** NSL  $\square$  NSP ☐ DD  $\square$  SD Check One Only for [B] and [C] [B] Commingling - Storage - Measurement DHC  $\square$  CTB □ PLC ☐ PC □ OLS Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  $\square$  PMX  $\square$  SWD ☐ IPI ☐ EOR □ w F X [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or \( \subseteq \) Does Not Apply ☐ Working, Royalty or Overriding Royalty Interest Owners ☐ Offset Operators, Leaseholders or Surface Owner [B] ☐ Application is One Which Requires Published Legal Notice [C] ☐ Notification and/or Concurrent Approval by BLM or SLO [D]U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office ☐ For all of the above, Proof of Notification or Publication is Attached, and/or, [E] [F]☐ Waivers are Attached [3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

1/15/2002 Print or T ype Nam e Date



Mid-Continent Region Exploration/Production

January 15, 2002

Conoco Inc. 10 Desta Drive, Suite 100W Midland, TX 79705-4500 (915) 686-5400

Mr. Michael Stogner New Mexico Oil Conservation Division 1220 Saint Francis Drive Santa Fe, New Mexico 87504

Application for Nonstandard location Cass Pool, Weir Blinebry, Monument Tubb, Weir Drinkard:

SEMU # 165 Section 14, T-20-S, R-37-E, M 1310' FSL & 480' FWL Conoco Operated Federal Southeast Monument Unit Lea County, NM

SEMU # 166
Section 23, T-20-S, R-37-E, O—
490' FSL & 1335' FEL
Conoco Operated Federal Southeast Monument Unit
Lea County, NM

Dear Mr. Stogner,

The Southeast Monument Unit well # 165 & # 166 has been staked within the Cass pool. The standard location for a Casa Pool well shall be within 150 feet of the center of a governmental quarter-quarter section or lot. Both wells are staked outside of that radius therefore a nonstandard location order is required. Conoco proposes a nonstandard Strawn location for the SEMU #165 well to be located 1310'FSL, 480'FWL, Sec 14, T20S, R37E and the staked location for the SEMU # 166 is 490' FSL & 1335' FEL, Sec 23, T20S, R37E. This proposal follows the successful completion of the SEMU 160, also a nonstandard location, which extended the Strawn Cass Pool into Section 14 of T20S, R37E. Approval of this application will enable Conoco's efforts to redevelop the Strawn based on 3-D seismic interpretation and petrophysical analysis. In this area Conoco is trying to identify localized highs that may hold accumulations of oil. Please find attached two seismic exhibits for each well that support this request for the nonstandard location exception for the Cass Penn pool.

### **SEMU # 165**

Interpretative work has identified the likelihood of an accumulation of oil located in the W/2 of SW/4 of Section 14 high to Conoco's SEMU #61 and likely not producible by the SEMU # 160 well. Exhibit 1 is a west to east seismic cross-section through the SEMU #



61, the proposed SEMU # 165, and the SEMU # 160. The yellow line illustrates the interpretation of the Top Strawn seismic pick at approximately 1050 milliseconds near the proposed location. The green line immediately below illustrates the interpretation of the Top of Devonian. The seismic section demonstrates that Conoco intends to encounter the Top of the Strawn high to both the SEMU # 161 and the SEMU # 160. Exhibit 2 is a depth map on the Top of Strawn interpretation. The subsurface elevation of the Strawn increases from yellow to red with a northwest-southeast trending ridge evident through Sections 15, 16, 22, and 23. The map shows the productive SEMU # 160 existing on a nose stemming from the ridge while the SEMU # 61 lies on the flank of the main ridge. The map also shows that the proposed non-standard location for the SEMU # 165 will come in high to both wells. Placing the well in a standard location would force a Strawn cut point in a down dip location and would compromise the preferred cut points in potentially productive, up-hole zones.

### **SEMU # 166**

Exhibit 1 is a west to east seismic cross-section through the SEMU # 9, the proposed SEMU # 166, and the SEMU # 158. The yellow lone illustrates the interpretation of the Top of Strawn seismic pick at approximately 1050 milliseconds near the proposed location. The green line immediately below illustrates the interpretation of the Top of Devonian. The seismic section demonstrates that we intend to encounter the Top of the Strawn high to the SEMU # 9 and the SEMU # 158. Exhibit 2 is a depth map on the Top of the Strawn interpretation. The subsurface elevation of the Strawn increases from yellow to red on this map. Two main accumulations are evident, the Cass Strawn in Section 23 and the North Hardy in Section 25. The proposed SEMU # 166 will be located along a localized southwest-northeast trending structural element and high to the SEMU # 9. The SEMU # 9 was tight in the upper Strawn, but porous and wet in the lower Strawn interval. A non-standard location allows Conoco to penetrate the porous interval high to the SEMU # 9 with anticipation of encountering new reserves. Placing this well in a standard location would force a Strawn cut point in a down dip location or in an area that contains insufficient porosity.

The locations for the SEMU # 165 & # 166 were staked based on the above referenced seismic data for Conoco's primary objective, the Strawn. The staked locations of both of these wells is 10' off of the quarter quarter section line making the location non-standard in any of the shallower formations in the event the Strawn is non-productive. Concurrently, Conoco requests that the NSL Order for the SEMU # 166 cover possible uphole production in the Weir Blinebry (63780), Monument Tubb (47090), and the Weir Drinkard (63840). (See attached C-102 plats) The offset well from the SEMU # 166, in Unit letter O, is the SEMU #9 (30-025-06243). This well was plugged 9/30/91. (See attached) Conoco requests that the NSL for the SEMU # 165 well include possible uphole production in the Monument Tubb and the Weir Drinkard pools. (See attached C-102 plats) The offset well in Unit Letter M is the SEMU # 87 (30-025-21232). This well was recompleted from the Monument Tubb to the Weir Blinebry in 7/1/97. Currently it is producing from the Weir Blinebry. By including the uphole pools in this Nonstandard Location Administrative Order for the SEMU # 165 & # 166 it will enable Conoco to



timely complete the wells in a productive formation should the primary Strawn objective prove unsuccessful.

The staked locations of the SEMU # 165 & 166 lies within the Conoco operated Southeast Monument Unit. The Working Interest in this Federal Unit is Conoco 50%, Arco 25% and Chevron 25%. Conoco's partners are informed of all drilling and completing by joint activity meetings and also their signature is required on all AFE's. The proposed locations are well within the unit boundaries therefore Conoco is the only offset operator, no notification is required. After drilling the SEMU # 165 & # 166 and documenting commercial production in a specific pool, Conoco will apply to amend and enlarge the appropriate Participating area (as per the Southeast Monument Operating agreement) within the Southeast Monument Unit thereby protecting all Royalty and Overriding interests in all productive horizons.

Conoco respectfully requests an administrative nonstandard location order for the SEMU # 165 and SEMU # 166. If you need any additional data please call me at (915) 686-5798.

Sincerely,

Kay Maddox

Regulatory Agent - Conoco

CC: NMOCD - Hobbs

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

PO Box 2088

Santa Fe, NM 87504-2088

Department  $\int_{\mathcal{C}} \mathbf{J}'$ 

Form C-102

Revised February 21, 1994 instructions on back

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AMENDED REPORT

### District II PODrawer DD, Artesia, NM88211-0719 District III 1000 Rio Brazos Rd. Aztec, NM87410

District IV PO Box 2088, Santa Fe. NM 87504-2088

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District | POBox 1980, Hobbs. NM 88241-1980

# State of New Mexico Energy, Minerals & Natural Resources Department

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District II PO Drawer DD, Artesia, NM88211-0719 District III 1000 Rio Brazos Rd. Aztec, NM87410 District IV PO Box 2088, Santa Fe. NM87504-2088

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

■ AMENDED REPORT

Fee Lease - 3 Copies

### THE TAX OF THE TAX OF

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DISTRICT I 1825 N. French Dr., Hobbs, NM 88240 DISTRICT II

### State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

Pool Name

Monument Tubb

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

811 South First, Artesia, NM 88210

### OIL CONSERVATION DIVISION 2040 South Pacheco

Pool Code

47090

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

API Number

Santa Fe, New Mexico 87505

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

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DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II

### State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

Pool Name

ASS Penn

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DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

811 South First, Artesia, NM 88210

### DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

API Number

Property Code

### OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, New Mexico 87505

☐ AMENDED REPORT

Well Number

### WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Name

Pool Code

10450

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UNITED STATES Form 3160-5 FORM APPROVED (June 1990) el **Buress** No. 1004-0135 DEPARTMENT OF THE INTERIOR Experie: March 31, 1993 **BUREAU OF LAND MANAGEMENT** NM 557686 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottes or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT-" for such proposals 7. If Unit or CA. Agreement Designs SUBMIT IN TRIPLICATE 1. Type of Well ☐ Weil 8. Well Name and No. v 0 2. Name of Open SEMU PENN #9 9. API Well No. Conoco Inc 3. Address and Tel 30-025-06243 10 Desta Drive STE 100W, Midland, TX 79705 (915)686-5424 10. Finish and Pool, or Exploratory Area 4 Location of Well (Foreign, Sec., T., R., M., or Survey Description) CASS PENN 11. County or Parish, State 660° FSL & 1980° FEL, SEC. 23, T-20S, R-37E, UNIT LTR 'O' LEA, NM CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12. TYPE OF ACTION TYPE OF SUBMISSION Nonce of latent XX Subsequent Report cal depths for all markets and so RELEASE PKR POOH.

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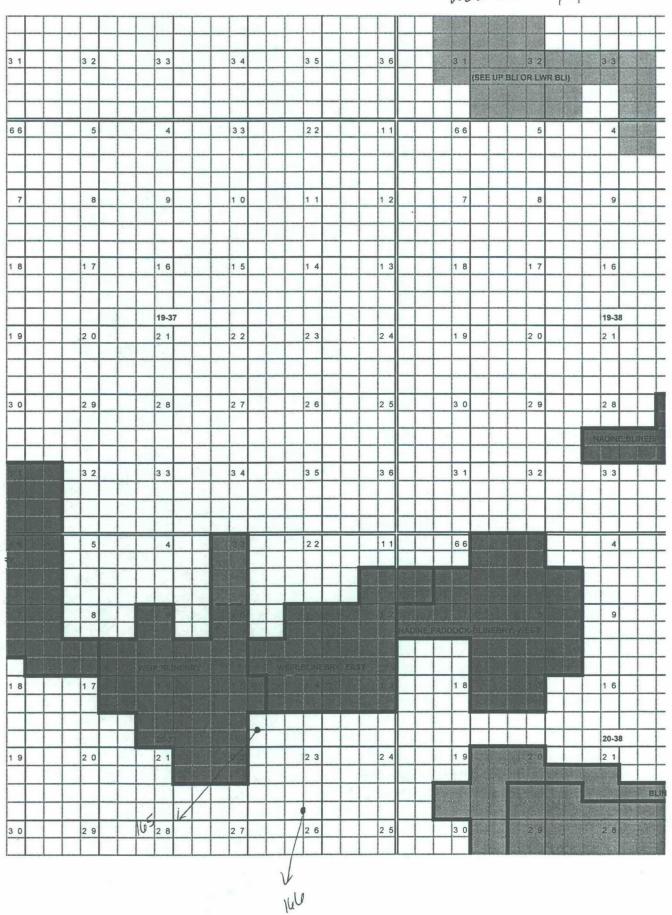
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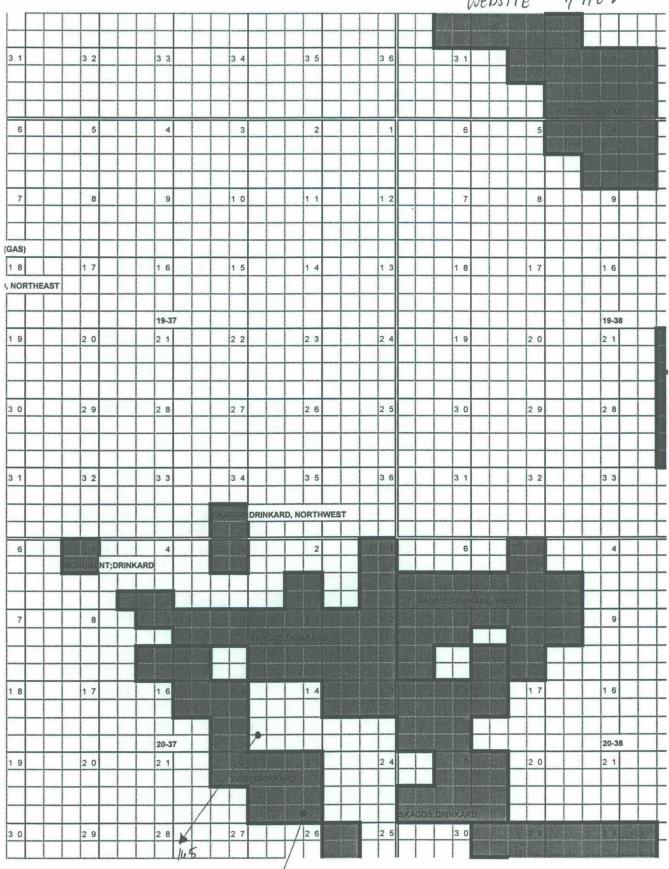
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## TAKEN FROM NINOCO WEBSITE 1/9/02



WEIR BLINEBRY (43780) 40 acres

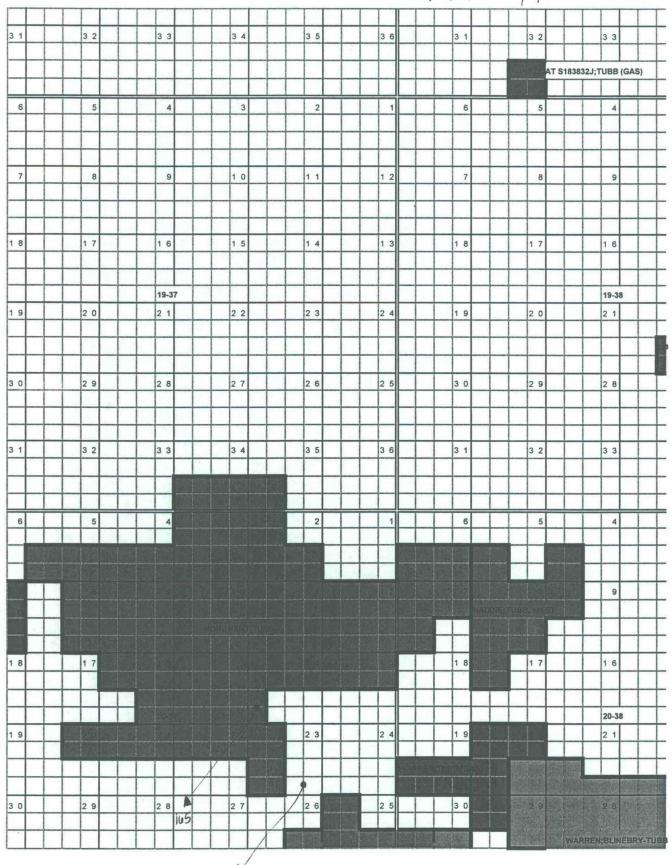
TAKEN FROM NMUCD WEBSITE 1/9/02



WEIR DRINKARD (63840)

GOR 10,000-1 40 acres

TALEN From N'MOCD 1/9/02 WEBS ITE



166 MONUMENT TUBB (47090) GOR 6000-1 SOACRES 330'off lines

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Description: # Sec. 15 (\$2062.10-1-61)

Ext. £ \$\frac{NE}{4} \Sec. 16 (\$2427.3-1-63) - \frac{SW}{4} \Sec. 10 (\$R-2552, 9-1-63)

£ \$\frac{SE}{4} \Sec. 9(\$R-2578, 11-1-63) - \frac{NE}{4} \Sec. 15 (\$R-2639.2-1-64) - \frac{W}{2} \frac{SE}{4} \Sec. 10.

\$\frac{SW}{4} \Sec. 9(\$R-2578, 11-1-63) - \frac{NE}{4} \Sec. 15 (\$R-2639.2-1-64) - \frac{W}{2} \frac{SE}{4} \Sec. 10.

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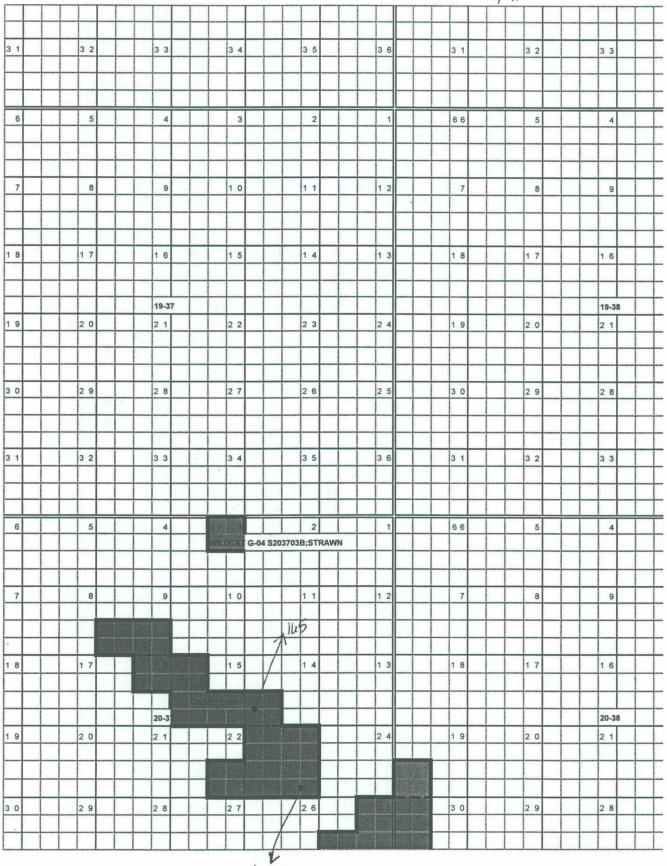
\$\frac{NE}{4} \frac{SE}{4} \Sec. 9(\$R-2334, 8-19-83) \text{Ext.} \frac{SW}{4} \text{Sec.} 16 (\$R-8025, 11-8-85)

\$\frac{Ext.}{1} \frac{N}{4} \Sec. 16 (\$R-10776, 2-28-97) \text{Ext.} \frac{SW}{4} \sec. 10, \frac{SW}{4} \Sec. 10, \frac{SW}{4} \Sec. 11 (\$R-10922 \text{4} \B-98)

\$\frac{Ext.}{1} \frac{N}{4} \Sec. 11 \frac{N}{4} \sec. 12 \frac{N}{4} \Sec. 14 (\$R-11121, 1-21-99)

\$\frac{Ext.}{1} \frac{SE}{4} \Sec. 16 (\$R-11125, 18-24-00)\$

# TAKEN From NMUCD WEBSTE 1/9/02



CASS-Penn (STRAWN) (10450) 80 acres

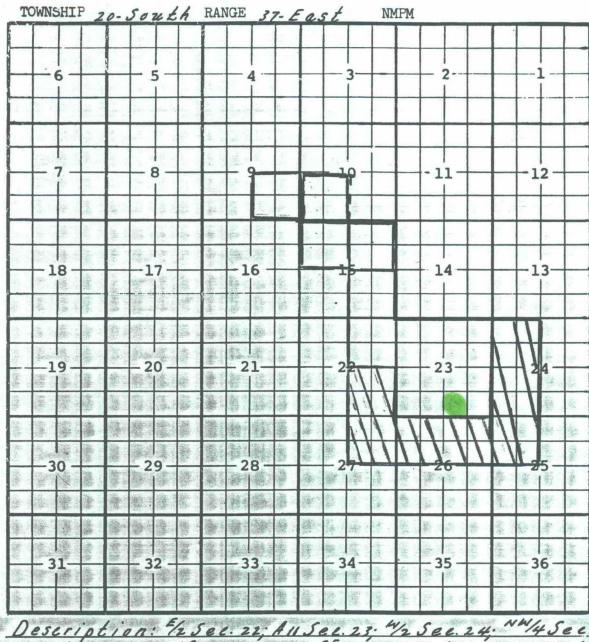
Description: 5/4 Sec. 16, (R-1532,12-1-59).

Ext: 1/2 Sec. 15 (R-1720,8-1-60): 1/4 Sec. 22 (R-2393,1-1-63).

- 1/4 Sec. 16. (R-2427, 2-1-63): 5/4 Sec. 10(R-2527, 8-1-63).

- 1/4 Sec. 16. (R-2427, 2-1-63): 5/4 Sec. 10(R-2527, 8-1-63).

- 1/4 Sec. 15; 1/4 Sec. 20; 1/4 Sec. 21 (R-2602, 12-1-63): 1/4 Sec. 3: 5/4 Sec. 9; 1/4 Sec. 15/1-1-63): 1/4 Sec. 15/1-1-63): 1/4 Sec. 15/1-1-63): 1/4 Sec. 16/1-1-63: 1/4 Sec. 16/1-63: 1/4 S



Description: \$\frac{1}{2} \Sec. 22; \( A \) \( Sec. 23; \( \frac{\psi\_2}{2} \) \( Sec. 24; \( \frac{\psi\_4}{4} \) \( Sec. 23; \( \frac{\psi\_2}{2} \) \( Sec. 24; \( \frac{\psi\_4}{4} \) \( Sec. 25; \( \frac{\psi\_2}{4} \) \( Sec. 15; \( (R-1424,7-1-59) \).

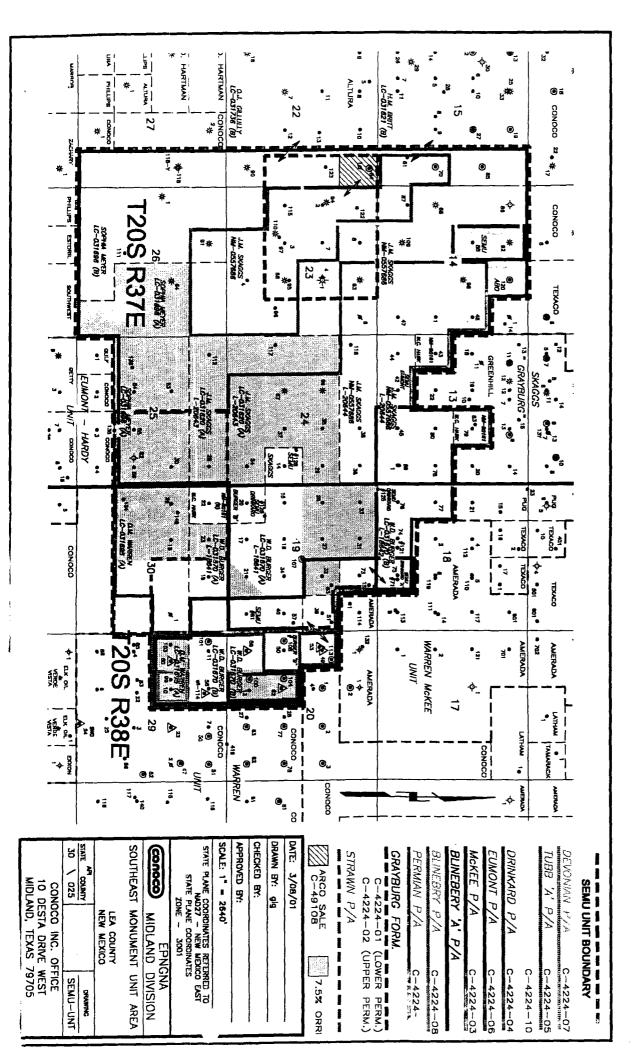
\[ \frac{\psi\_4}{4} \) \( Sec. 15; \( (R-1623, 4-7-81) \) \( Ext; \quad \text{NW} \) \( Sec. 15; \( (R-7) \) \( 14, 11-7-84 \) \\
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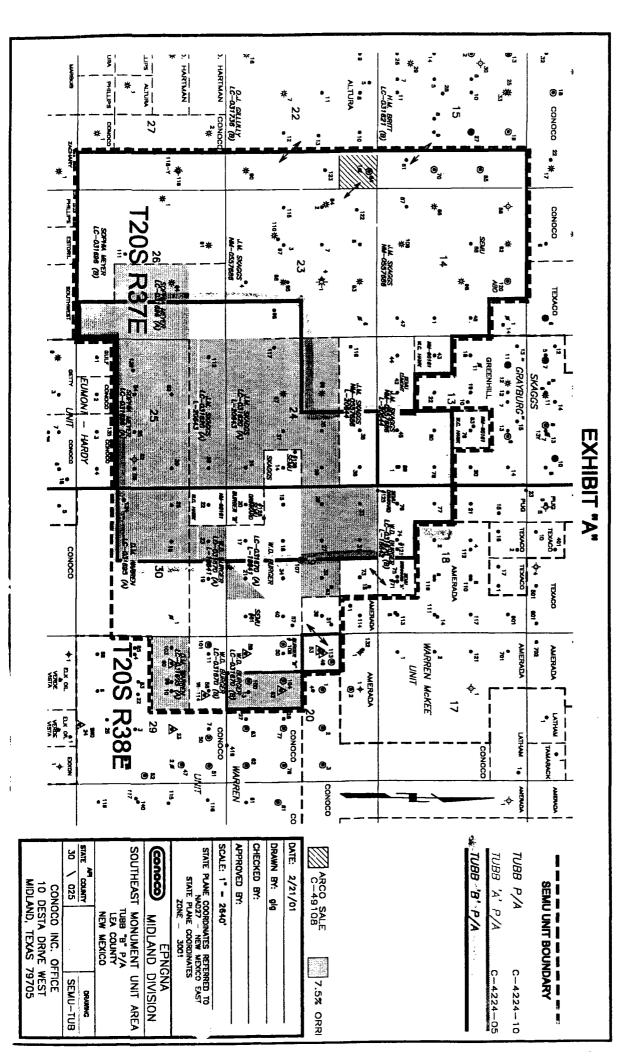
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PENNSYLVANIAN
LEA COUNTY
NEW MEXICO STATE PLANE COORDINATES REFERRED TO NAD27 - NEW MEXICO EAST STATE PLANE COORDINATES ZONE - 3001 SCALE: 1" = 2640" ARCO SALE EPNGNA MIDLAND DIVISION CONOCO INC. OFFICE 10 DESTA DRIVE WEST MIDLAND, TEXAS 79705 C-4224-02 (UPPER PERM.) SEMU UNIT BOUNDARY 7.5% ORR SEMU-UNT PERM.) DRIMANC

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Date: 2/11/2002 Time: 03:27:46 PM

### Stogner, Michael

From: Maddox, M. Kay [M-Kay.Maddox@conoco.com]

Sent: Monday, February 11, 2002 10:44 AM

To: Mstogner@state.nm.us

Subject: NSL application SEMU # 165 & 166

Dear Mr. Stogner,

Just a note to check on the status of the NSL application for the SEMU # 165 & # 166. Conoco really needs to drill the # 165 before the prairie chicken season. Amazingly enough, we have BLM approval. Can you please let me know where we are? Thanks.

Кау

### Stogner, Michael

From: Maddox, M. Kay [M-Kay.Maddox@conoco.com]

Sent: Monday, February 11, 2002 3:57 PM

To: MStogner@state.nm.us

**Subject**: NSL # 165 & 166

Complain??? I cid not call to complain! Geez! I hung up - Conoco has no reason to complain. I was checking with you about the applications - If we are in a bind it is because we put ourselves there - it is not your problem. I just wanted to know if you were working on it, close to working on it, or if it was still buried. The engineers might have to revamp their drilling program and I need to tell them if that is the case. Did someone else call about these or is it just a bad day?

### 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:

CASE NO. 10984 Order No. R-10128

APPLICATION OF TEXACO EXPLORATION & PRODUCTION INC. FOR AMENDMENT OF SPECIAL POOL RULES AND REGULATIONS FOR THE MONUMENT-TUBB POOL, LEA COUNTY, NEW MEXICO.

See Also Order No. R-2800

### ORDER OF THE DIVISION

### BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 26, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of June, 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) By Order No. R-1532, issued in Case No. 1809 on November 23, 1959, the Division created and defined the Monument-Tubb Pool, Lea County, New Mexico.
  - (3) The Monument-Tubb Pool currently comprises the following described area:

### TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 34: S/2

### TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 3: W/2

Section 8: SE/4

Section 9: SW/4, E/2

Section 10: All

Section 11: NW/4, S/2

Section 12: All

Section 13: N/2

Section 14: NW/4, W/2 NE/4, W/2 SW/4

Section 15: All Section 16: E/2 Section 20: NE/4 Section 21: N/2 Section 22: N/2 Section 23: W/2

- (4) The Monument-Tubb Pool is currently governed by Special Rules and Regulations as promulgated by Division Order No. R-2800 on November 10, 1964, which require standard 80-acre oil spacing and proration units, designated well locations, and a limiting gas-oil ratio of 4,000 cubic feet of gas per barrel of oil.
- (5) The applicant, Texaco Exploration & Production Inc., seeks to amend Rule No. (7) of the Special Rules and Regulations for the Monument-Tubb Pool, to increase the limiting gas-oil ratio to 10,000 cubic feet of gas per barrel of oil.
- (6) According to the Division's Monthly Statistical Report for December, 1993, there are currently thirty-nine wells within the Monument-Tubb Pool operated by eight operators. The applicant currently operates eleven wells within the pool.
- (7) The applicant presented engineering evidence and testimony which indicates that of the thirty-five wells currently producing within the pool:

12 produce at a GOR in excess of 20,000:1

10 produce at a GOR between 10,000 and 20,000:1

11 produce at a GOR between 4,000 and 10,000:1

2 produce at a GOR of less than 4,000:1

- (8) Further engineering evidence indicates that over the past several years, the Monument-Tubb Pool has produced, poolwide, at a gas-oil ratio in excess of 10,000 cubic feet of gas per barrel of oil.
- (9) Applicant's geologic evidence and testimony demonstrated that there is no correlation between a given well's producing gas-oil ratio and its location structurally within the reservoir.
- (10) There is no geologic or engineering evidence which would indicate the presence of a gas cap within the reservoir.
- (11) The Monument-Tubb Pool appears to be a solution gas drive reservoir in its final stages of primary depletion.

- (12) No operator in the pool or offset operator appeared at the hearing in opposition to the application.
- (13) The evidence presented indicates that approval of the proposed gas-oil ratio limitation should not result in the excessive dissipation of reservoir energy, should not result in the reduced recovery of oil from the subject reservoir, thereby causing waste, and will not violate correlative rights.
- (14) The proposed gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil for the Monument-Tubb Pool should be established on a permanent basis.

### IT IS THEREFORE ORDERED THAT:

- (1) Rule No. (7) of the Special Rules and Regulations for the Monument-Tubb Pool, Lea County, New Mexico, as promulgated by Division Order No. R-2800, is hereby amended by increasing the limiting gas-oil ratio for the subject pool to 10,000 cubic feet of gas per barrel of oil.
- (2) Jurisdiction of this cause is hereby 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. KEMAY

Director

SEAL

### BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE No. 3123 Order No. R-2800

APPLICATION OF CONTINENTAL OIL COMPANY FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

See also Order No. R-10128

### ORDER OF THE COMMISSION

### BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 13, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of November, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

### FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Continental Oil Company, seeks the promulgation of special rules and regulations for the Monument-Tubb Pool in Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, including a provision for 80-acre spacing units and a gas-oil ratio of 6000 to 1.
- (3) That one well in the Monument-Tubb Pool can efficiently and economically drain and develop 80 acres.
- (4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing

-2-CASE No. 3123 Order No. R-2800

for 80-acre spacing units should be promulgated for the Monument-Tubb Pool.

- (5) That a limiting gas-oil ratio of 6000 to 1 would be excessive for this pool and might result in waste.
- (6) That the special rules and regulations should provide for a limiting gas-oil ratio of 4000 to 1 in order to allow each operator in the pool the opportunity to use his just and equitable share of the reservoir energy.

### IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Monument-Tubb Pool are hereby promulgated as follows, effective December 1, 1964:

# SPECIAL RULES AND REGULATIONS FOR THE MONUMENT-TUBB POOL

- RULE 1. Each well completed or recompleted in the Monument-Tubb Pool or in the Tubb formation within one mile thereof, and not nearer to or within the limits of another designated Tubb oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.
- RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.
- RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the

-3-CASE No. 3123 Order No. R-2800

non-standard unit within 30 days after the Secretary-Director has received the application.

- RULE 4. Each well shall be located no nearer than 330 feet to any governmental guarter-quarter section or lot line.
- RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written wrivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.
- RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

RULE 7. The limiting gas-oil ratio shall be 4000 cubic feet of gas for each barrel of oil produced.

### IT IS FURTHER ORDERED:

- (1) That any well presently drilling to or completed in the Monument-Tubb Pool or in the Tubb formation within one mile there-of that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 1, 1964.
- (2) That each well presently drilling to or completed in the Monument-Tubb Pool or in the Tubb formation within one mile thereof shall receive a 40-acre allowable until a Form C-128

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dedicating 80 acres to the well has been filed with the Commission.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO

QIL CONSERVATION COMMISSION

JACK M. CAMPBELL! Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

# BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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

> CASE No. 3156 Order No. R-2825

APPLICATION OF CONTINENTAL OIL COMPANY FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

### ORDER OF THE COMMISSION

### BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 24, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of December, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

### FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Continental Oil Company, seeks the promulgation of special rules and regulations for the Cass Pool in Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, including a provision for 80-acre spacing and authority to transfer allowables.
- (3) That one well in the Cass Pool can efficiently and economically drain and develop 80 acres.
- (4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the Cass Pool.

-2-CASE No. 3156 Order No. R-2825

- (5) That the special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.
- (6) That the applicant has not established that authority to transfer allowables within the Cass Pool will prevent waste or protect correlative rights.
- (7) That the applicant's request for authority to transfer allowables within the Cass Pool should be denied.

### IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Cass Pool are hereby promulgated as follows:

# SPECIAL RULES AND REGULATIONS FOR THE CASS POOL

- RULE 1. Each well completed or recompleted in the Cass Pool or in the Pennsylvanian formation within one mile thereof, and not nearer to or within the limits of another designated Pennsylvanian oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.
- RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.
- RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

-3-CASE No. 3156 Order No. R-2825

- RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot line.
- RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.
- RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.33 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-stanard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

### IT IS FURTHER ORDERED:

- (1) That any well presently drilling to or completed in the Cass Pool or in the Pennsylvanian formation within one mile thereof that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 15, 1964.
- (2) That each well presently drilling to or completed in the Cass Pool or in the Pennsylvanian formation within one mile thereof shall receive a 40-acre allowable until a Form C-128 dedicating 80 acres to the well has been filed with the Commission.
- (3) That the applicant's request for authority to transfer allowables within the Cass Pool is hereby <u>denied</u>.

-4-CASE No. 3156 Order No. R-2825

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

# BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

CASE No. 3156 Order No. R-2825-A

APPLICATION OF CONTINENTAL OIL COMPANY FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

### NUNC PRO TUNC ORDER

### BY THE COMMISSION:

It appearing to the Commission that due to clerical error, Order No. R-2825, dated December 7, 1964, does not correctly state the intended order of the Commission,

### IT IS THEREFORE ORDERED:

- (1) That Rule 6 of the Special Rules and Regulations for the Cass Pool promulgated by Order No. R-2825 is hereby corrected to read as follows:
- RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 3.33 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

(2) That the correction set forth above shall be effective nunc pro tunc as of December 7, 1964.

DONE at Santa Fe, New Mexico, on this 21st day of December, 1964.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

SEAL

esr/

A. L. PORTER, Jr., Member & Secretary

# BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

CASE No. 3156 Order No. R-2825-B

APPLICATION OF CONTINENTAL OIL COMPANY FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

### NUNC PRO TUNC ORDER

### BY THE COMMISSION:

It appearing to the Commission that due to clerical error, Order No. R-2825, dated December 7, 1964, does not correctly state the intended order of the Commission,

### IT IS THEREFORE ORDERED:

- (1) That Rule 4 of the Special Rules and Regulations for the Cass Pool promulgated by Order No. R-2825 is hereby corrected to read as follows:
- RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.
- (2) That the correction set forth above shall be effective nunc pro tunc as of December 7, 1964.

DONE at Santa Fe, New Mexico, on this 25th day of January, 1965.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

SEAL

A. L. PORTER, Jr., Member & Secretary