



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 9, 1998

Collins & Ware, Inc.
508 West Wall Avenue - Suite 1200
Midland, Texas 79701-5076
Attention: Dianne Sumrall

Administrative Order NSL-3964(SD)

Dear Ms. Sumrall:

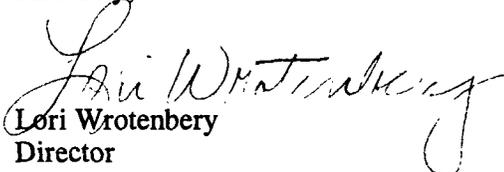
Reference is made to your application dated February 12, 1998 for an unorthodox Blinebry gas well location in an existing non-standard 80-acre gas spacing and proration unit ("GPU") for said Blinebry Oil and Gas Pool comprising the E/2 SE/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. Said GPU was authorized by Division Order No. NSP-932, dated November 5, 1973 and reinstated on December 2, 1996, and is currently dedicated to the A. B. Baker Well No. 4 (API No. 30-025-10158), located 880 feet from the South and East lines (Unit P) of said Section 10.

It is our understanding that the subject well in this application, the A. B. Baker Well No. 6 (API No. 30-025-33794), located 2135 feet from the South line and 829 feet from the East line (Unit I) of said Section 10 is currently completed in the Wantz-Abo Pool at an orthodox oil well location within a standard 40-acre oil spacing and proration unit that comprises the NE/4 SE/4 (Unit I) of said Section 10. Further, upon issuance of this order the Blinebry zone will be perforated and said well will be dually completed. Pursuant to Rule 2(b)1 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool," as promulgated by Division Order No. R-8170, as amended, said location is considered to be an unorthodox gas well location for the subject 80-acre GPU.

By authority granted me under the provisions of Rule 2(d) of said special pool rules, the above-described unorthodox Blinebry gas well location is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Blinebry gas production from the A. B. Baker Well No. 4 with the A. B. Baker Well No. 6. Furthermore, you are hereby permitted to produce the allowable assigned the subject 80-acre GPU from both wells in any proportion.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP- 932 /

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. 801
Order No. R-590

THE APPLICATION OF SKELLY OIL
COMPANY FOR AN ORDER GRANTING
PERMISSION TO DUALY COMPLETE
ITS BAKER "B" WELL NO. 15 IN THE
BLINEBRY GAS POOL AND THE TUBB
GAS POOL, AND TO ESTABLISH A 240
ACRE NON-STANDARD GAS PRORATION
UNIT CONSISTING OF THE SW/4 AND
THE W/2 SE/4 OF SECTION 10, TOWNSHIP
22 SOUTH, RANGE 37 EAST, NMPM, LEA
COUNTY, NEW MEXICO.

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 25th day of February 1955, the Commission, a quorum being present, having considered the evidence 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 applicant, Skelly Oil Company, is owner of an oil and gas lease in Lea County, New Mexico, the land consisting of:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SW/4, W/2 SE/4 of Section 10

containing 240 acres, more or less, lying within the horizontal limits of the Blinebry and Tubb Gas Pools.

(3) That additional testimony and evidence are necessary with regard to the formation of a proration unit in excess of 160-acres in either the Blinebry or Tubb Gas Pools, to enable the Commission to render a decision on this portion of the application.

(4) That the mechanics of the proposed dual completion as outlined by applicant are feasible and in good practice.

IT IS THEREFORE ORDERED:

(1) That the portion of the case concerned with the formation of a non-standard gas proration unit in the Tubb and Blinebry Gas Pools be, and the same hereby is, reopened for hearing before the Commission.

(2) That said hearing shall be held at Santa Fe, New Mexico, on March 16, 1955, at which time and place additional testimony and evidence will be received in this cause.

IT IS FURTHER ORDERED:

That the applicant herein, Skelly Oil Company, be and it hereby is authorized to dually complete and produce its Baker "B" Well No. 15, located in the NW/4 SE/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner that the gas from the Tubb formation of the Tubb Gas Pool may be produced through the tubing from below the packer, and the gas from the Blinebry formation of the Blinebry Gas Pool may be produced through a second string of tubing from perforations above the packer; by proper perforation of the casing, and the installation of a suitable down-hole packer and suitable surface wellhead equipment for separating, and maintaining the separation of the gas from the Blinebry zone and the gas from the Tubb zone.

PROVIDED, HOWEVER, That upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission in which the subject well is located Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on these forms by existing Rules and Regulations.

PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well bore either within or outside the casing of gas, oil and gas, or oil produced from either or both of the separate strata, and

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in

order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and

PROVIDED FURTHER, That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

DONE at Santa Fe, New Mexico, on 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

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. 801
Order No. R-590-A

THE APPLICATION OF SKELLY OIL
COMPANY FOR AN ORDER GRANTING
PERMISSION TO DUALY COMPLETE ITS
BAKER "B" WELL NO. 15, IN THE BLINEBRY
GAS POOL AND THE TUBB GAS POOL, AND
TO ESTABLISH A 240-ACRE NON-STANDARD
GAS PRORATION UNIT CONSISTING OF THE
SW/4, AND W/2 SE/4 OF SECTION 10, TOWN-
SHIP 22 SOUTH, RANGE 37 EAST, NMPM,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on December 16, 1954, and March 16, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 20th. day of April, 1955, the Commission, a quorum being present, having considered the evidence 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 applicant, Skelly Oil Company, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SW/4, W/2 SE/4 of Section 10

containing 240 acres more or less, lying within the horizontal limits of the Blinebry and Tubb Gas Pools.

(3) That applicant, Skelly Oil Company, has a well on the aforesaid lease known as the Baker "B" Well No. 15, located 1830' from the south line and 2130' from the east line of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) That on February 25, 1955, the Commission entered Order No. R-590 which granted permission to dually complete said well in the Blinebry and Tubb Gas Pools, and said order remanded that portion of the application dealing with the formation of the non-standard gas proration unit for rehearing on March 16, 1955.

(5) That pursuant to the provisions of Rule 7 (a) of Order No. R-372-A and Order R-373-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(6) That the above-described 240-acre lease is productive of gas from the Blinebry and Tubb Gas Pools.

(7) That it is impractical to pool applicant's said lease with adjoining acreage in the Blinebry or Tubb Gas Pools, and owners of adjoining acreage in said area have not objected to formation of the proposed proration unit.

(8) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of natural gas from the Tubb and Blinebry Gas Pools.

(9) That the creation of a proration unit consisting of applicant's aforesaid acreage will not cause but will prevent waste and will protect correlative rights.

IT IS THEREFORE ORDERED:

1. That the application of the Skelly Oil Company for approval of a non-standard gas proration unit in the Tubb Gas Pool, consisting of the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SW/4, W/2 SE/4 of Section 10

containing 240 acres, more or less, be and the same is hereby approved, and a proration unit comprising the aforesaid acreage is hereby created in the Tubb Gas Pool.

2. That the application of Skelly Oil Company for approval of a non-standard gas proration unit in the Blinebry Gas Pool consisting of the following described acreage:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SW/4, W/2 SE/4 of Section 10

containing 240 acres, more or less, be and the same is hereby approved, and a 240-acre proration unit comprising the aforesaid acreage is hereby created in the Blinebry Gas Pool.

3. That applicant's well, Baker "B" Well No. 15, located in the NW/4 SE/4 of Section 10, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, shall be granted an allowable in the proportion that the above 240-acre unit bears to the standard or orthodox proration unit for the respective pools, all until further order of the Commission.

DONE at Santa Fe, New Mexico on 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

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 5, 1973

C
O
P
Y
Amerada Hess Corporation
P. O. Drawer D
Monument, New Mexico 88265

Attention: Mr. W. C. Henderson

Administrative Order NSP-932

Gentlemen:

Reference is made to your application for an 80-acre non-standard gas proration unit in the Blinebry Gas Pool consisting of the following acreage:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 10: E/2 SE/4

It is understood that this unit is to be dedicated to your A. B. Baker Well No. 4 to be located 880 feet from the South line and 880 feet from the East line of said Section 10.

This order shall be effective with the stipulation that your A. B. Baker Well No. 3 is to be plugged upon completion of the A. B. Baker Well No. 4.

By authority granted me under the provisions of the 104 D II, you are hereby authorized to operate the above-described acreage as a non-standard gas proration unit.

Very truly yours,

A. L. PORTER, JR.
Secretary-Director

ALP/JEK/jr

cc: Oil Conservation Commission - Hobbs
Oil & Gas Engineering Committee - Hobbs
Proration Department, OCC - Santa Fe