



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

June 7, 1994

Plains Petroleum Operating Company
415 West Wall Street - Suite 1000
Midland, Texas 79701

Attention: Bonnie Husband

RE: *Bluitt-San Andres Associated Pool Development - Sections 13 and 24, Township 8 South, Range 37 East, NMPM; and Section 18, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.*

Dear Ms. Husband:

After reviewing your letter dated May 18, 1994, I thought it best to respond in this manner to hopefully explain how the "*General Rules and Regulations For The Associated Oil and Gas Pools of Northwest and Southeast New Mexico/Special Rules and Regulations for the Bluitt-San Andres Associated Pool*" work and suggest how Plains might achieve in accomplishing to develop the San Andres gas underlying this area in the manner that was conveyed in your letter.

Said Rules as promulgated by Division Order No. R-5353, as amended, space gas wells on 320 acres and oil wells on 80 acres. The top gas allowable for a standard 320-acre gas spacing and proration unit, being a gas acreage factor of "1.0", is 1,280 MCFPD. Should a gas proration unit be formed within this pool that consist of less than 320 acres, the assigned top unit allowable for that particular unit shall be decreased in the proportion that the number of acres in the unit bears to 320. For example a 160-acre non-standard gas spacing and proration unit would receive an acreage factor of 0.50 to be attributed to the units allowable. Further, this acreage factor formula and top unit gas allowable is a constant and when an allowable is assigned a unit then the production from that unit can be produced from those gas wells, if more than one is dedicated to the unit, in any proportion. The Division does not set allowables on

wells but rather to the proration unit. The Division will not divide allowables up within a proration unit where more than one well is dedicated, this being known as a multi-well unit ("MWU").

The way I'm interpreting your letter is that Plains wishes to develop its acreage on 320-acre spacing and enjoy a full allowable for its wells without attributing the full amount of acreage to form a standard 320-acre gas spacing and proration unit. The Division has in the past approved the formation of 160-acre gas spacing and proration units in the Bluit-San Andres Associated Pool whereby the resulting allowable for these units were set at 640 MCFPD, no more/no less.

At this time the Division is agreeable in processing your applications to form a 160-acre non-standard gas spacing and proration unit in the NE/4 of said Section 13 for the Bluit "13" Federal Well No. 1, a 160-acre non-standard gas spacing and proration unit in the NE/4 of said Section 24 for the Bluit "24" Federal Well No. 2, a 160-acre non-standard gas spacing and proration unit in the NW/4 of said Section 24 for the Bluit "24" Federal Well No. 3, each of the three having an acreage factor of 0.50 to be assigned against the poolwide gas allowable of 1,280 MCFPD, and an 80-acre non-standard gas spacing and proration unit in the E/2 NW/4 of said Section 18, to which an acreage factor of 0.25 will be assigned to the unit for the Bluit "18" Federal Well No. 5.

I might suggest however that Plains consider the following option:

- (a) have Division Administrative Order NSP-1683, which authorized the 160-acre non-standard unit in the NW/4 of said Section 13, rescinded and form a standard 320-acre gas spacing and proration unit to comprise the N/2 of said Section 13 to which both the Bluit "13" Federal Well Nos. 1 and 6 will be simultaneously dedicated;
- (b) have Division Administrative Order NSP-1684, which authorized the 160-acre non-standard unit in the SE/4 of said Section 13, rescinded and form a standard 320-acre gas spacing and proration unit to comprise the S/2 of said Section 13 to which both the Bluit "13" Federal Well Nos. 11 and 15 will be simultaneously dedicated;
- (c) form a standard 320-acre gas spacing and proration unit in the N/2 of said Section 24 and simultaneously dedicate the proposed Bluit "24" Federal Well Nos. 2 and 3; and,
- (d) have Division Administrative Order NSP-1682, which authorized the 160-acre non-standard

unit in the SW/4 of said Section 18, rescinded and seek to have a non-standard 280-acre non-standard gas spacing and proration unit formed to comprise the W/2 NW/4 and SW/4 of said Section 18 to which both the Bluit "18" Federal Well Nos. 5 and 11 will be simultaneously dedicated.

Steps (a), (b), and (c) would require NMOCD Forms C-102 to be submitted to the Hobbs District Office of the Division on each well while step (d) would require an administrative application be submitted.

Should you have any questions or comments concerning this matter, please contact me at (505) 827-5811.

Sincerely,



Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Roswell
File: NSP-1682
NSP-1683
NSP-1684

OIL CONSERVATION DIVISION
RECEIVED

'94 JUN 22 AM 8 50



P L A I N S
P E T R O L E U M
O P E R A T I N G
C O M P A N Y

June 16, 1994

Mr. Michael Stogner
Chief Hearing Officer/Engineer
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Bluit San Andres Associated Pool Development
Section 18, Township 8 South, Range 38 East,
Roosevelt County, New Mexico

Gentlemen:

Plains Petroleum Operating Company respectfully requests, as suggested in your letter of June 7, 1994, Division Administrative Order NSP-1682, which authorized the 160-acre non-standard proration unit in the SW/4 of Section 18 be rescinded and administrative approval be granted to form a non-standard 240-acre gas spacing and proration unit to comprise the W/2 NW/4 and SW/4 of said Section 18 to which both the Bluit 18 Federal Well Nos. 5 and 11 will be simultaneously dedicated.

Respectfully submitted,

PLAINS PETROLEUM OPERATING CO.

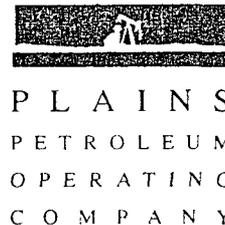
Bonnie Husband
Administrative Assistant

Enclosure

cc: Jerry Sexton - OCD Hobbs, NM
BLM - Roswell, NM

OIL CONSERVATION DIVISION
RECEIVED

'94 JUN 22 AM 8 50



June 16, 1994

Oil Conservation Division
Mr. Jerry Sexton
Supervisor
P. O. Box 1980
Hobbs, NM 88240

Re: Bluit San Andres Associated Pool
Section 13 and 24, T8S, R37E and
Section 18, T8S, R38E,
Roosevelt County, New Mexico

Gentlemen:

Plains Petroleum Operating Company has been recompleting wells in what was formerly called the Bluit San Andres Unit to non-unitized P₁ San Andres gas zones and have in the past received Administrative approval for non-standard proration units comprising 160 acres. At this time, (as suggested in Michael E. Stogner's June 7, 1994 letter) we respectfully request that the following Orders be rescinded and 320 acre proration units be assigned simultaneously to multi-wells.

- 1) Rescind Division Administrative Order NSP-1683 in the NW/4 of Section 13 and a standard 320-acre gas spacing and proration unit be formed to comprise the N/2 of Section 13 to which both the Bluit 13 Federal Well Nos. 1 and 6 will be simultaneously dedicated, as shown on Forms C-102 attached.
- 2) Rescind Division Administrative Order NSP-1684 in the SE/4 of Section 13 and form a standard 320-acre gas spacing and proration unit to comprise the S/2 of Section 13 to which both the Bluit 13 Federal Well Nos. 15 and 11 will be simultaneously dedicated, as shown on Form C-102 attached.
- 3) Form a standard 320-acre gas spacing and proration unit in the N/2 of Section 24, T8S, R37E and to which both the Bluit 24 Federal Well Nos. 2 and 3 will be simultaneously dedicated, as shown on the attached Forms C-102.

I have this date, copy attached, written a letter to Michael Stogner requesting Division

Administrative Order NSP-1682 be rescinded and seeking approval for a non-standard 240-acre gas spacing and proration unit formed to comprise the W/2 NW/4 and SW/4 of Section 18, T8S, R38E to which both the Bluit 18 Federal Well Nos. 5 and 11 will be simultaneously dedicated.

Should you have any questions, please contact me at your convenience.

Respectfully submitted,

PLAINS PETROLEUM OPERATING CO.

Bonnie Husband

Bonnie Husband
Administrative Assistant

Enclosures

cc: Michael Stogner - OCD Santa Fe
BLM - Roswell, NM



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

February 24, 1994

Plains Petroleum Operating Company
415 West Wall Street, Suite 1000
Midland, TX 79701

Attention: Bonnie Husband

Administrative Order NSP-1682

Dear Ms. Husband:

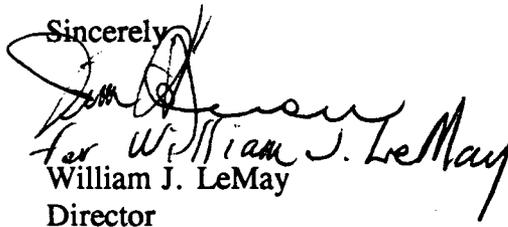
Reference is made to your application dated December 14, 1993 for a 160-acre non-standard gas spacing and proration unit consisting of the following acreage in the Bluit-San Andres Associated Pool:

ROOSEVELT COUNTY, NEW MEXICO
TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM
Section 18: SW/4

It is my understanding that this unit is to be dedicated to your existing Bluit "18" Federal Well No. 11 located at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 18.

By authority granted me under the provisions of Rule 4 (b) of the General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico/Special Rules and Regulations for the Bluit-San Andres Associated Pool, as promulgated by Division Order No. R-5353, as amended, the above non-standard gas spacing and proration unit is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Roswell