



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 7, 1995

Administrative Order NSP-1734(L)

Exxon Company, USA
P.O. Box 1600
Midland, TX 79702-1600

Attention: Alex M. Correa

Re: *Application for a non-standard 120-acre gas spacing and proration unit ("GPU") in the Blinebry Oil and Gas Pool comprising the S/2 SW/4 and SW/4 SE/4 of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, to be dedicated to the New Mexico "S" State Well No. 22, located in Unit "M" of said Section 2.*

Dear Mr. Correa:

Reference is made to your application dated June 28, 1995 for the above-described 120-acre non-standard gas spacing and proration unit in the Blinebry Oil and Gas Pool, I know you have been made aware on previous occasions that the Division is unable to process the subject application administratively under the rules and procedures governing the Blinebry Oil and Gas Pool (see Division Order No. R-8170, as amended). The subject request seeking to form a proration unit across a quarter section line, which, pursuant to Rule 2 of said Order No. R-8170, as amended, and General Rule 104.C(2), can only be accomplished after proper notice and hearing.

HOWEVER, in this particular instance Exxon shall be granted, in the interim, authority to establish an 80-acre non-standard gas spacing and proration unit to comprise the following acreage in the Blinebry Oil and Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 2: S/2 SW/4

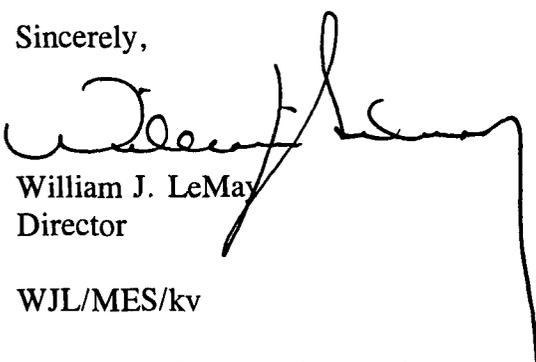
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Said unit is to be dedicated to Exxon's New Mexico "S" State Well No. 22 (API No. 30-025-09971), located at an unorthodox gas well location for said 80-acre unit 800 feet from the South line and 660 feet from the West line (Unit M) of said Section 2.

By authority granted me under the provisions of Rules 2(a)4 and 2(c) of the Special Rules and Regulations for the Blinbry Oil and Gas Pool as promulgated by Division Order No. R-8170, as amended, the above-described 80-acre non-standard gas spacing and proration unit and resulting unorthodox gas well location are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of said pool rules based upon a unit size of 80 acres.

Should you wish to pursue your original request for the 120-acre non-standard unit, please file a motion for such an application for hearing before an Examiner.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
Jim Bruce - Santa Fe