

Case Number

5998

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
28 September, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield for ) CASE  
a waterflood project, Lea County, New ) 5998  
Mexico. )

BEFORE: Daniel S. Nutter

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschenörf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

For the Applicant, Atlantic Richfield: Clarence L. Hinkle, Esq.  
HINKLE, COX, EATON, COFIELD &  
HENSLEY  
Roswell, New Mexico

For El Paso Natural Gas: H. L. Kendrick, Esq.  
El Paso Natural Gas  
El Paso, Texas

For Texaco: Kenneth Bateman, Esq.  
WHITE, KOCH, KELLY & MCCARTHY  
220 Otero Street  
Santa Fe, New Mexico

For J. R. Cone and Summit Energy, Inc.: W. Thomas Kellahin, Esq.  
KELLAHIN & FOX  
500 Don Gaspar  
Santa Fe, New Mexico

sid morrish reporting service  
General Court Reporting Service  
825 Calle Mejia, No. 172, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

**sid morrish reporting service**  
*General Court Reporting Service*  
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
 Phone (505) 982-9212

1 MR. NUTTER: Call Cases Numbers 5997 and 5999,  
 2 which have the same caption.

3 MS. TESCHENDORF: Those are both the applications  
 4 of Atlantic Richfield Company for a unit agreement, Lea County  
 5 New Mexico.

6 MR. NUTTER: And we'll call Case Number 5998 and  
 7 6000, both of which have the same caption.

8 MS. TESCHENDORF: Applications of Atlantic Richfield  
 9 Company for a waterflood project, also in Lea County, New  
 10 Mexico.

11 MR. NUTTER: I'll call for appearances at this time  
 12 in these cases.

13 MR. KENDRICK: H. L. Kendrick, El Paso Natural Gas.

14 MR. BATEMAN: Kenneth Bateman of White, Koch, Kelly  
 15 and McCarthy, appearing for Texaco.

16 MR. KELLAHIN: Tom Kellahin, appearing for J. R.  
 17 Cone and for Summit Energy, Inc..

18 MR. HINKLE: Clarence L. Hinkle, Hinkle, Cox, Eaton,  
 19 Cofield, and Hensley, Roswell, New Mexico, appearing on behalf  
 20 of Atlantic Richfield.

21 (Witnesses sworn.)

22 MR. NUTTER: Now, Mr. Hinkle, did you want to con-  
 23 solidate these cases?

24 MR. HINKLF: Yes. These four cases are all inter-  
 25

1 related and I'd like to move that they be consolidated, be  
2 called and consolidated for the purpose of the hearing.

3 MR. NUTTER: Cases 5997, 5998, 5999, and 6000 will  
4 be consolidated for the purpose of hearing. Separate orders  
5 will be entered in each case.

6 MR. BATEMAN: Mr. Examiner, excuse me, before we  
7 proceed there's a preliminary matter I'd like to bring up.

8 MR. NUTTER: All right, an opening remark.

9 MR. BATEMAN: Not an opening remark, Mr. Examiner,  
10 but I'd like to draw your attention to the advertisement in  
11 5997 and 5999, I believe. There's some confusion, at least on  
12 the part of my client, and I think the others, with respect  
13 to the advertisement.

14 I believe that is a form of advertisement used for  
15 a voluntary unit approval, and as I understand the application  
16 I have a copy of the application in 597. Paragraph 9 of the  
17 application indicates that the application was filed under and  
18 pursuant to the statutory unitization act.

19 Obviously, there's a considerable difference be-  
20 tween a voluntary unit approval and a statutory unitization  
21 act proceeding. And it is our position, Mr. Examiner, that the  
22 application was not properly advertised and that there is no  
23 jurisdiction to proceed at this point.

24 MR. HINKLE: Mr. Examiner, I don't think there's  
25 anything in the statutory unitization act that requires that

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1 you give specific notice of a statutory unitization.

2 MR. BATEMAN: Mr. Examiner, Article 65-3-6 requires  
3 a notice of hearings, and including, the notice, if pub-  
4 lished, shall briefly state the nature of the order, or  
5 orders, sought -- I'm paraphrasing -- by the applicant.

6 The form of application -- excuse me, the form of  
7 advertisement used in previous cases that I am familiar with  
8 in connection to statutory unitization, of course, have  
9 been rather specific about the compulsory aspect of the  
10 application, and the fact that interests are -- there's an  
11 attempt being made to force interestes in the unit, which  
12 have not voluntarily complied or ratified the operating  
13 agreement.

14 There's no indication in this application -- ex-  
15 cuse me, this notice that that is the case here. It may  
16 well be additional opposition to this application if that  
17 were specified.

18 MR. HINKLE: Mr. Examiner, I think all of those who  
19 have entered an appearance here are the only ones who have  
20 expressed any opposition. I think the evidence will show  
21 that over eighty percent of the working interest owners and  
22 royalty owners have agreed to unitization, and those who have  
23 entered an appearance here are the only ones that have not  
24 consented to it, so there couldn't be prejudice whatsoever  
25 because you're here before the Commission.

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1 MR. NUTTER: Mr. Hinkle, do we know that everyone  
2 is here, and how would we ascertain that fact?

3 MR. HINKLE: Because we do, we know that everybody  
4 that is represented here who has not agreed to it.

5 MR. RAMEY: Royalty owners, too?

6 MR. HINKLE: Royalty owners, well, there's one or  
7 two royalty owners that I never have been able to get in  
8 touch with; never have heard from them.

9 MR. NUTTER: Well, if we can't get in touch with  
10 them, we depended on the notice nailed on the old oak tree,  
11 you know.

12 MR. KELLAHIN: If the Examiner please, on behalf of  
13 J. R. Cone and Summit Energy, Inc., we would concur in  
14 Texaco's motion that the Commission lacks jurisdiction to  
15 proceed in this matter. There's a substantial difference in  
16 appearing in response to an advertisement that indicates the  
17 approval of a voluntary unit agreement as opposed to the  
18 statutory notification with regards to forced unitization.

19 MR. NUTTER: I'm afraid you're right and I don't  
20 think we can proceed. I'm sorry, Mr. Hinkle, but probably  
21 it's the error of the Commission. I'm afraid we can't pro-  
22 ceed on this.

23 MR. HINKLE: I had it in the application.

24 MR. NUTTER: We've had only two previous statutory  
25 unitization hearings and in each of those we've been very

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1 specific in the notice that it is a statutory unitization,  
2 and I think by having set that precedent on those cases, it  
3 would be unwise for us to proceed with the standard notice  
4 for a voluntary unit agreement here.

5 MR. HINKLE: Well, let me ask this. When can these  
6 be set now?

7 MR. NUTTER: They can be set for the second hearing  
8 in October.

9 MR. HINKLE: That will be when?

10 MR. NUTTER: There's a hearing on the 12th and I  
11 don't -- October 26th.

12 MR. HINKLE: October the 26th. Okay, put them  
13 right up at the top so we can start early.

14 MR. NUTTER: With that I think we have to dismiss  
15 Cases Numbers 5997 and 5999, and continue Cases Numbers 5998  
16 and 6000 to the Examiner Hearing, which will be held at this  
17 same place at 9:00 a.m., October 26, 1977.

18 MR. HINKLE: Now, it will not be necessary to file  
19 a new application, as I understand it.

20 MR. NUTTER: No, sir, we'll accept these applica-  
21 tions. I haven't looked at the application but I presume  
22 it's --

23 MR. HINKLE: Because it's specific.

24 MR. NUTTER: Okay, well, it's the error of the Com-  
25 mission. We're sorry for it but those things do happen.

The hearing is adjourned.  
(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, Sally Walton Boyd, a Certified Shorthand Reporter,  
DO HEREBY CERTIFY that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill,  
and ability.

Sally Walton Boyd  
Sally Walton Boyd, C. S. R.

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examination of Page No. 5998  
heard by me on 9/28, 19 77.  
[Signature], Examiner  
New Mexico Oil Conservation Commission

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
20 July 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield  
Company for a waterflood project,  
Lea County, New Mexico.

CASE  
5998

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil  
Conservation Commission:

Lynn Teschendorf, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

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MR. STAMETS: At this time call Case 5997, 98, 99, and Case 6000.

MS. TESCHENDORF: There are four applications of Atlantic Richfield Company for two unit agreements and two waterflood projects, and the applicant has requested that all four cases be continued to the September 28th Examiner Hearing.

MR. STAMETS: These cases will be continued to the September 28th Examiner Hearing.

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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill,  
and ability.

Sally Walton Boyd  
Sally Walton Boyd, C. S. R.

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 5998  
heard by me on 7-29 19 77.  
Richard D. [Signature], Examiner  
New Mexico Oil Conservation Commission

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General Court Reporting Service  
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# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

DIRECTOR  
JOE D. RAMEY

LAND COMMISSIONER  
PHIL R. LUCERO



STATE GEOLOGIST  
EMERY C. ARNOLD

December 27, 1977

Mr. Clarence Hinkle  
Hinkle, Cox, Eaton,  
Coffield & Hensley  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: CASE NO. 5998  
ORDER NO. R-5592

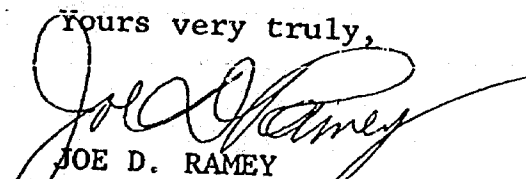
Applicant:

Atlantic Richfield Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x  
Artesia OCC x  
Aztec OCC           

Other Tom Kellahin, Ken Bateman, H. L. Kendrick

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. 5998  
Order No. R-5592

APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR A WATERFLOOD PROJECT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 20, 1977, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of December, 1977, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Atlantic Richfield Company, seeks authority to institute a waterflood project on its East Drinkard Unit Drinkard Pool, by the injection of water into the Drinkard formation through 30 injection wells in Sections 11, 12, 13, 14, 23 and 24, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the majority of the wells in the project area are in an advanced state of depletion and should properly be classified as "Stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the wells within the project should be equipped to facilitate periodic testing of the annular space between strings of casings.

(6) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

-2-

Case No. 5998  
Order No. R-5592

(7) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to institute a waterflood project on its East Drinkard Unit, Drinkard Pool, by the injection of water into the Drinkard formation through the following-described wells in Sections 11, 12, 13, 14, 23, and 24, all in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico:

<u>OPERATOR</u> <u>LEASE</u>	<u>WELL</u> <u>NO.</u>	<u>LOCATION</u>
<u>Atlantic Richfield Company</u>		
Roy Barton	4	1750' FNL & 1980' FEL, Sec. 23
S. J. Sarkeys	2	330' FSL & 2310' FEL, Sec. 23
S. J. Sarkeys	3	2310' FSL & 330' FEL, Sec. 23
<u>J. R. Cone</u>		
Eubanks	1	660' FSL & 660' FWL, Sec. 14
Eubanks	3	1980' FSL & 1830' FWL, Sec. 14
<u>Continental Oil Company</u>		
Lockhart B-11	3	1980' FNL & 330' FWL, Sec. 11
Lockhart B-11	4	330' FNL & 1650' FWL, Sec. 11
Lockhart B-11	6	330' FNL & 330' FEL, Sec. 11
Lockhart B-11	8	660' FSL & 1980' FEL, Sec. 11
Lockhart B-11	11	1980' FSL & 330' FEL, Sec. 11
Lockhart B-11	17	1980' FNL & 1980' FEL, Sec. 11
J. H. Nolan	1	660' FSL & 660' FWL, Sec. 11
J. H. Nolan	3	1980' FSL & 1980' FWL, Sec. 11
Lockhart B-12	4	1650' FNL & 660' FWL, Sec. 12
Lockhart B-13-A	1	660' FSL & 660' FWL, Sec. 13
Lockhart B-13-A	2	1980' FNL & 660' FWL, Sec. 13
Lockhart B-14-A	3	660' FNL & 330' FEL, Sec. 14
Lockhart B-14-A	4	1980' FSL & 330' FEL, Sec. 14
<u>Getty Oil Company</u>		
D. A. Williamson	2	1980' FNL & 660' FWL, Sec. 23
D. A. Williamson	4	660' FNL & 1980' FWL, Sec. 23
<u>Gulf Oil Corporation</u>		
Naomi Keenum	2	660' FSL & 1980' FEL, Sec. 14
Nancy Stephens	2	1980' FNL & 660' FWL, Sec. 24
Nanch Stephens	3	660' FNL & 1980' FWL, Sec. 24

-3-

Case No. 5998

Order No. R-5592

Mobil Oil Corporation

Stephens Estate	2	660' FSL & 660' FWL, Sec. 24
Williamson	1	660' FNL & 660' FEL, Sec. 23

Moranco

Owen	1	1980' FNL & 660' FWL, Sec. 14
------	---	-------------------------------

Shell Oil Company

Andrews	2	990' FNL & 1980' FWL, Sec. 14
Sarkeys	1	660' FSL & 660' FWL, Sec. 23
Sarkeys	2	1980' FSL & 1980' FWL, Sec. 23
Smith	1	1980' FNL & 1980' FEL, Sec. 14

(2) That injection into each of said wells should be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be tested for leaks, be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device, and that the injection wells or system shall be equipped in such a manner as to limit wellhead injection pressure to no more than 1300 psi.

(3) That the Secretary-Director of the Commission may administratively authorize a pressure limitation in excess of 1300 psi upon a showing by the operator that such higher pressure will not result in fracturing of the confining strata.

(4) That the wells within the project area shall be equipped with risers or in another acceptable manner such as to facilitate the periodic testing of the bradenhead for pressure or fluid production.

(5) That the operator of the project, or of any affected nearby property, shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, the leakage of water or oil from any plugged and abandoned well within the project area or any other evidence of fluid migration from the injection zone, and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(6) That the subject waterflood project is hereby designated the Atlantic Richfield East Drinkard Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

-4-

Case No. 5998  
Order No. R-5592

(7) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1115 of the Commission Rules and Regulations.

(8) 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

PHIL R. LUCERO, Chairman



*Emery C. Arnold*  
EMERY C. ARNOLD, Member

*Joe D. Ramey*  
JOE D. RAMEY, Member & Secretary

S E A L

jr/



BRUCE KING  
GOVERNOR  
LARRY KEHOE  
SECRETARY

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

August 6, 1980

POST OFFICE BOX 2000  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-2434

Mr. Clarence Hinkle  
Hinkle, Cox, Eaton, Coffield  
& Hensley  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico 88201

Re: CASE NO. 5998  
ORDER NO. R-5592-B

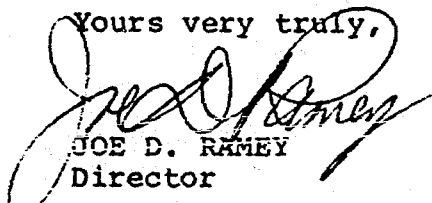
Applicant:

~~Atlantic Richfield Company~~

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Yours very truly,

  
JOE D. RAMEY  
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x  
Artesia OCC x  
Aztec OCC           

Other Booker Kelly, Thomas Kellahin, H. L. Kendrick, Glenn  
Emerick, Bruce Landis

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION COMMISSION

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

CASE NO. 5998  
Order No. R-5592-B

APPLICATION OF ATLANTIC  
RICHFIELD COMPANY FOR A  
WATERFLOOD PROJECT, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for rehearing at 9 a.m. on February 21, 1978, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 5th day of August, 1980, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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.

That the applicant's request for dismissal should be granted.

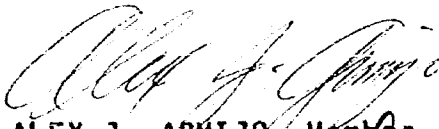
IT IS THEREFORE ORDERED:

That Case No. 5998 is hereby dismissed.

-2-  
Case No. 5998  
Order No. R-5592-8

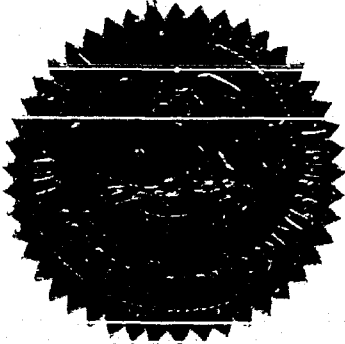
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
ALEX J. ARMIJO, Member

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary



S E A L

ds/

# CONOCO-LOCKHART B-II NO. 6

UNIT A 330' FNL & 330' FEL

SECTION II, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO

13-3/8" csg. @ 246'  
Cmt. w/260 sx.  
Cmt. top @ surface (circ)

9-5/8" csg. @ 3136'  
Cmt. w/1797 sx.  
Cmt. top @ surface (circ)

Blinebry perforations  
5750-6050'

Drinkard perforations  
6680-6766'

7" csg. @ 8064' w/948 sx.  
Cmt. top @ 3220' (TS)

EL 3473' DF

PBD 6850'

TD 5065'

Proposed Blinebry Unit Well No. 4 UT  
Proposed Drinkard Unit Well No. 4 LT

EXHIBIT No. 44

# CONOCO-LOCKHART B-II NO. 4

UNIT C 330' FNL & 1650' FWL

SECTION 11, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO

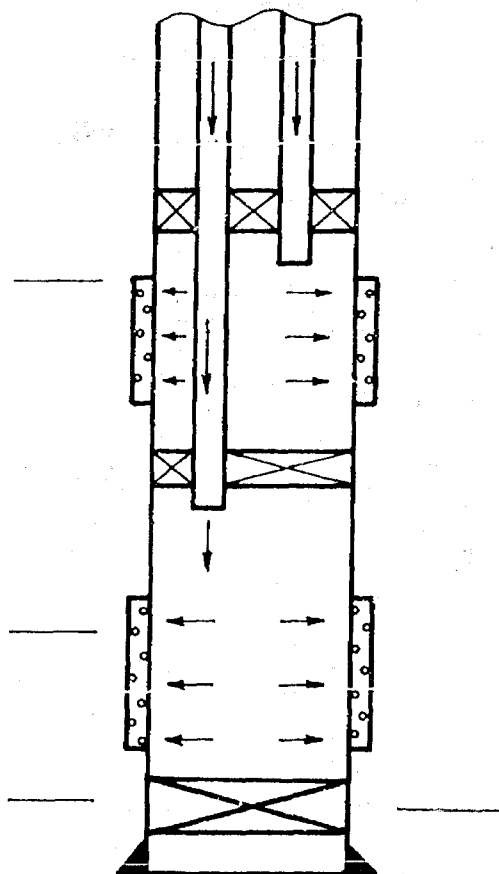
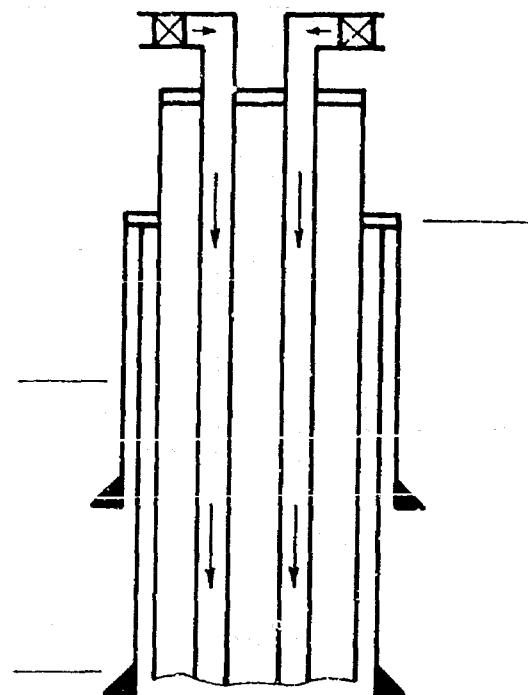
10-3/4" csg. @ 272'  
Cmt. w/250 sx.  
Cmt. top @ surface (circ)

7-5/8" csg. @ 3149'  
Cmt. w/1200 sx.  
Cmt. top @ 240 sx (TS)

Blinebry perforations  
5775-6000'

Drinkard perforations  
6650-6800'

5-1/2" csg. @ 7805'  
Cmt. w/835 sx.  
Cmt. top @ surface (calc)



Proposed Blinebry Unit Well No. 6 UT  
Proposed Drinkard Unit Well No. 6 LT

EXHIBIT NO. 45

# CONOCO -- LOCKHART B-II NO.3

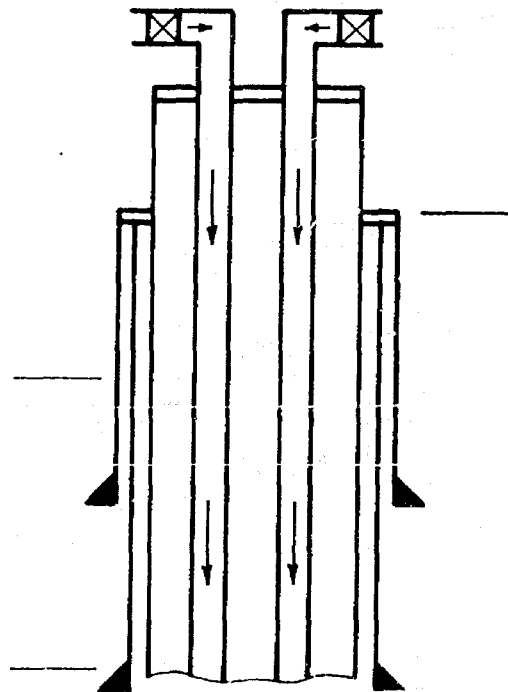
UNIT E - 1980' FNL & 350' FWL

SECTION II - T21S-R37E

LEA COUNTY, NEW MEXICO

10-3/4" csg. @ 262'  
Cmt. w/250 sx.  
Cmt. top @ surface (circ)

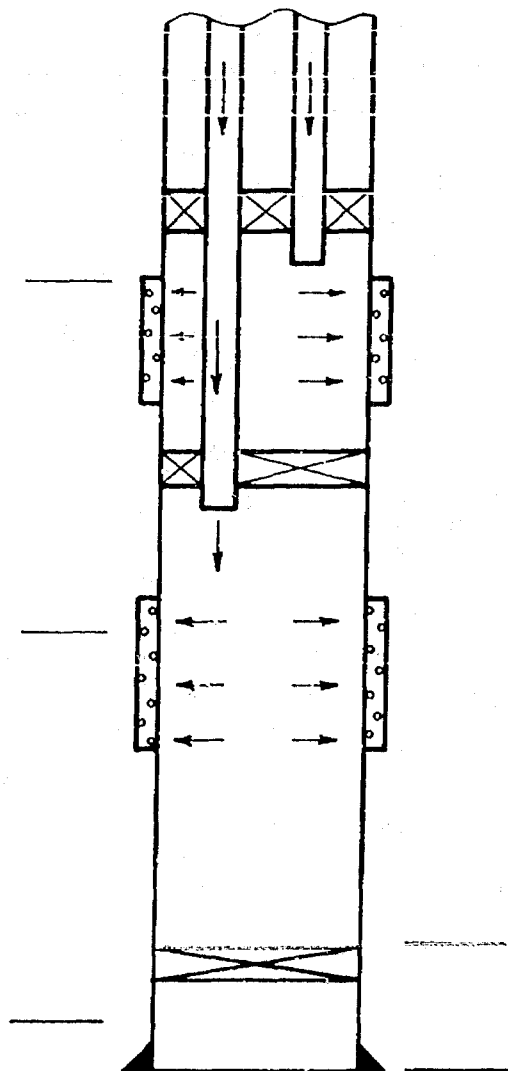
7-5/8" csg. @ 3099'  
Cmt. w/1680 sx.  
Cmt. top @ surface (circ)



EL 3426' DF

Blinebry perforations  
5700-5950'

Drinkard perforations  
6550-6675'



5-1/2" csg. @ 7658'  
Cmt. w/308 sx.  
Cmt. top @ 3380' (TS)

PRD 7448'

TD 7659'

Proposed Blinebry Unit Well No. 8 UT  
Proposed Drinkard Unit Well No. 8 LT

# CONOCO - LOCKHART B-II NO.17

UNIT G - 1980' FNL & 1980' FEL

SECTION II - T2IS - R37E

LEA COUNTY, NEW MEXICO

13-3/8" csg. @ 368'  
Cmt. w/300 sx.  
Cmt. top @ surface (circ)

9-5/8" csg. @ 3094'  
Cmt. w/1150 sx.  
Cmt. top @ 1600' (TS)

Blinebry perforations  
5750-5930'

Drinkard perforations  
6582-6708'

7" csg. @ 7499'  
Cmt. w/650 sx.  
Cmt. top @ 3600' (TS)

EL 3455' DF

PBD 6750'

TD 7500'

Proposed Blinebry Unit Well No. 10 UT  
Proposed Drinkard Unit Well No. 10 IT

# CONOCO-LOCKHART B-12 NO. 4

UNIT E 1650' FNL & 660' FWL

SECTION 12, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO

10-3/4" csg. @ 255'  
Cmt. w/250 sx.  
Cmt. top @ surface (circ)

7-5/8" csg. @ 3160'  
Cmt. w/1244 sx.  
Cmt. top @ 390' (TS)

Blinebry perforations  
5750-6000'

Drinkard perforations  
6650-6800'

5-1/2" csg. @ 8201'  
Cmt. w/468 sx.  
Cmt. top @ 3150' (TS)

EL 3467' DF

PBD 6880'

TD 8202'

Proposed Blinebry Unit Well No. 12 UT  
Proposed Drinkard Unit Well No. 12 LT

EXHIBIT NO. 48

# CONOCO-LOCKHART B-II NO. 11

UNIT I 1980' FSL & 330' FEL

SECTION 11, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO

10-3/4" csg. @ 265'  
Cmt. w/300 sx.  
Cmt. top @ surface (circ)

7-5/8" csg. @ 2953'  
Cmt. w/700 sx.  
Cmt. top @ 1350' (TS)

Blinebry perforations  
5715-5860'

5-1/2" csg. @ 5899'  
Cmt. w/300 sx.  
Cmt. top @ 2825' (TS)

Drinkard perforations  
6570-6700'

4" liner 5875-6780'

EL 3445' DF

TD 6780'

Proposed Blinebry Unit Well No. 18 UT  
Proposed Drinkard Unit Well No. 18 LT

EXHIBIT NO. 51

# CONOCO-NOLAN NO.3

UNIT K - 1980' FSL & 1980' FWL

SECTION II - T2IS-R37E

LEA COUNTY, NEW MEXICO

13-3/8" csg. @ 350'  
Cmt. w/250' sx.  
Cmt. top @ surface (circ)

9-5/8" csg. @ 3093'  
Cmt. w/1200' sx.  
Cmt. top @ 1500' (TS)

Blinebry perforations  
5738-6050'

Drinkard perforations  
6580-6730'

7" csg. @ 7492'  
Cmt. w/625' sx.  
Cmt. top @ 3800' (TS)

EL 3447' DF

TD 7492'

Proposed Blinebry Unit Well No. 20 UT  
Proposed Drinkard Unit Well No. 20 LT

# CONOCO-NOLAN NO. 1

UNIT M - 660' FSL & 660' FWL

SECTION II - T21S-R37E

LEA COUNTY, NEW MEXICO

10-3/4" csg. @ 269'  
Cmt. w/225 sx.  
Cmt. top @ surface (circ)

7-5/8" csg. @ 3069'  
Cmt. w/2040 sx.  
Cmt. @ surface (circ)

Blinbry perforations  
5702-5900'

Drinkard perforations  
6530-6642'

5-1/2" csg. @ 6699'  
Cmt. w/358 sx.  
Cmt. top @ 3225' (TS)

EL 3423' DF

PBD 6690'

TD 7523'

Proposed Blinbry Unit Well No. 22 UT  
Proposed Drinkard Unit Well No. 22 LT

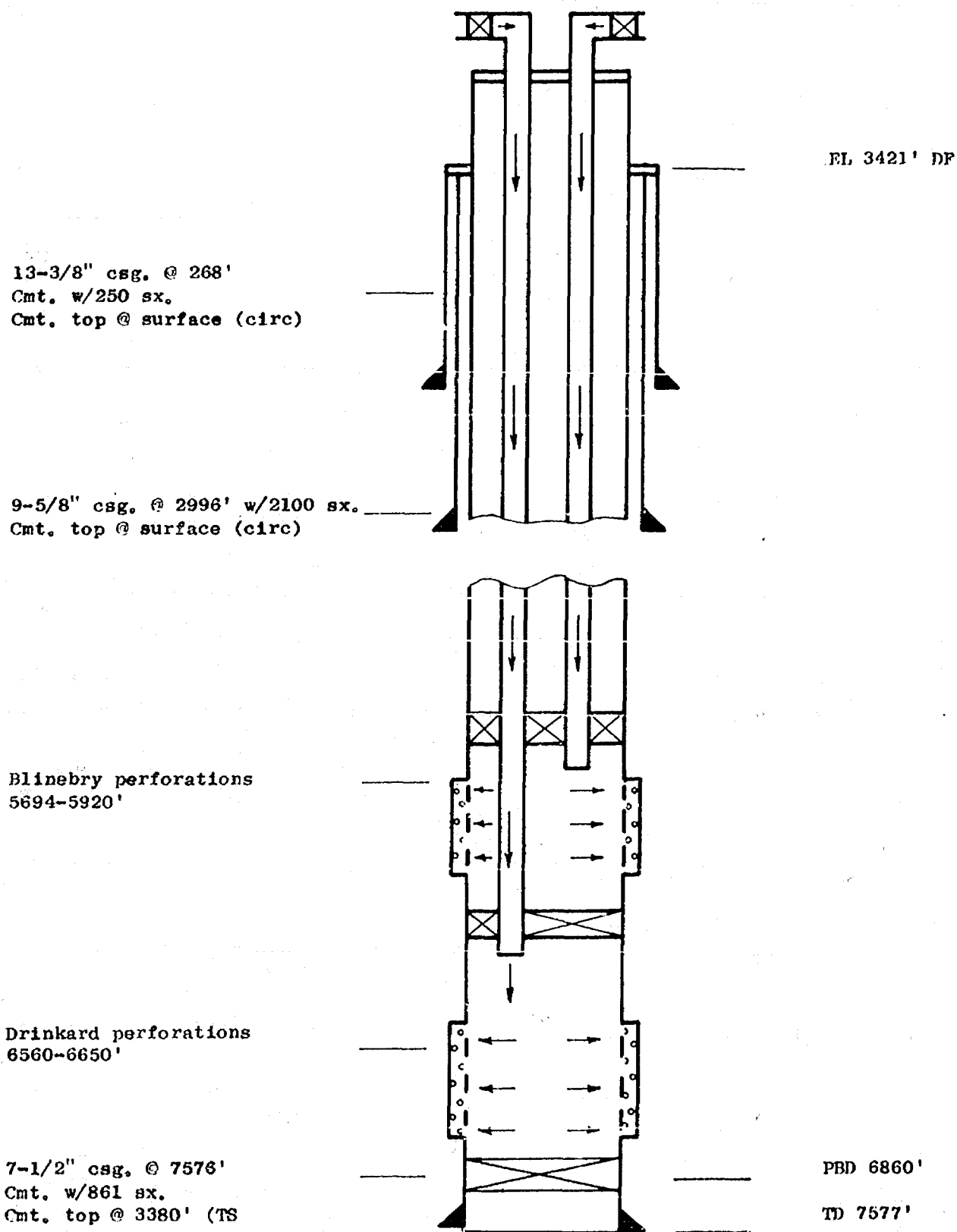
EXHIBIT NO. 53

CONOCO-LOCKHART B-II-NO. 8

UNIT O, 660' FSL & 1980' FEL

SECTION 11, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO



Proposed Blinebry Unit Well No. 24 UT  
Proposed Drinkard Unit Well No. 24 LT

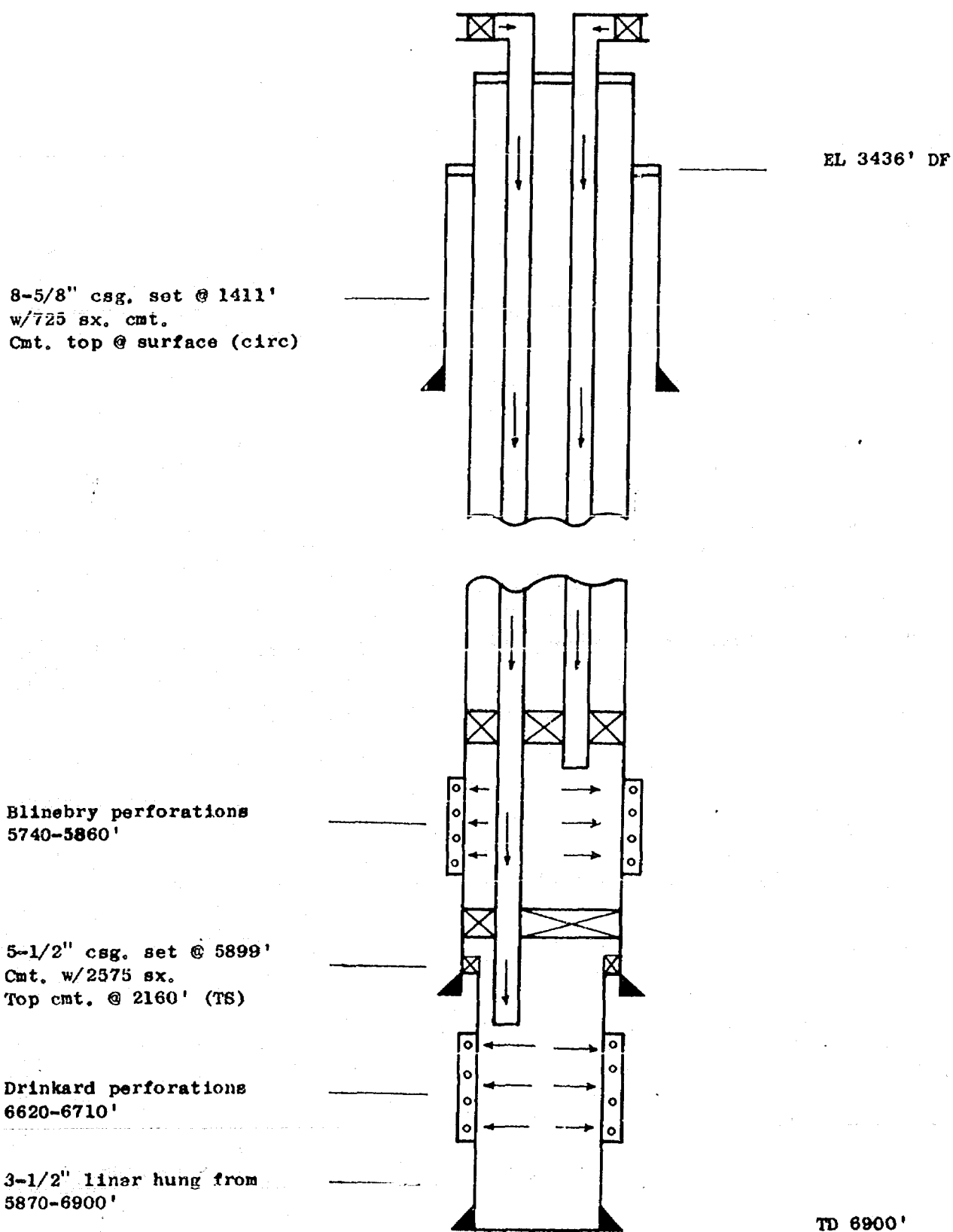
EXHIBIT NO. 54

CONOCO-LOCKHART B-14 NO. 3

UNIT A 660' FNL & 330' FEL

SECTION 14, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO



Proposed Blinebry Unit Well No. 32 UT  
Proposed Drinkard Unit Well No. 32 LT

EXHIBIT NO. 58

SHELL-ANDREWS NO. 2  
 UNIT C 990' FNL & 1980' FWL  
 SECTION 14, T 21 S, R 37 E  
 LEA COUNTY, NEW MEXICO

13-3/8" csg. set @ 221'  
 Cmt. w/250 sx.  
 Cmt. top @ surface (circ)

8-5/8" csg. set @ 3001'  
 Cmt. w/2100' sx  
 Cmt. top @ surface (circ)

Blinebry perforations  
 5705-5815'

Drinkard perforations  
 6530-6680'

5-1/2" csg. set @ 6940'  
 Cmt. w/450 sx.  
 Cmt. top @ 4985' (TS)

OH 6940-7443'

EL 3412' DF

PND 6850'

TD 7443'

Proposed Blinebry Unit Well No. 34 UT  
 Proposed Drinkard Unit Well No. 34 LT

EXHIBIT NO. 59

MORANCO-OWEN NO. 1  
UNIT E 1980' FNL & 660' FWL  
SECTION 14, T 21 S, R 37 E  
LEA COUNTY, NEW MEXICO

13-3/8" csg. set @ 166'  
w/125 sx.  
Cmt. top @ surface (circ)

9-5/8" csg. set @ 2721'  
w/600 sx.  
Top cmt. @ 1414' (TS)

Blinebry perforations  
5720-5830'

Drinkard perforations  
6515-6358'  
OR 6600-6643'

7" csg. set @ 6600'  
w/600 sx.  
Cmt. top @ 3875' (TS)

EL 3442' DF

TD 6643'

Proposed Blinebry Unit Well No. 36 UT  
Proposed Drinkard Unit well No. 36 IT

SHELL-SMITH NO. 1  
UNIT G 1980' FNL & 1980' FEL  
SECTION 14, T 21 S, R 37 E  
LEA COUNTY, NEW MEXICO

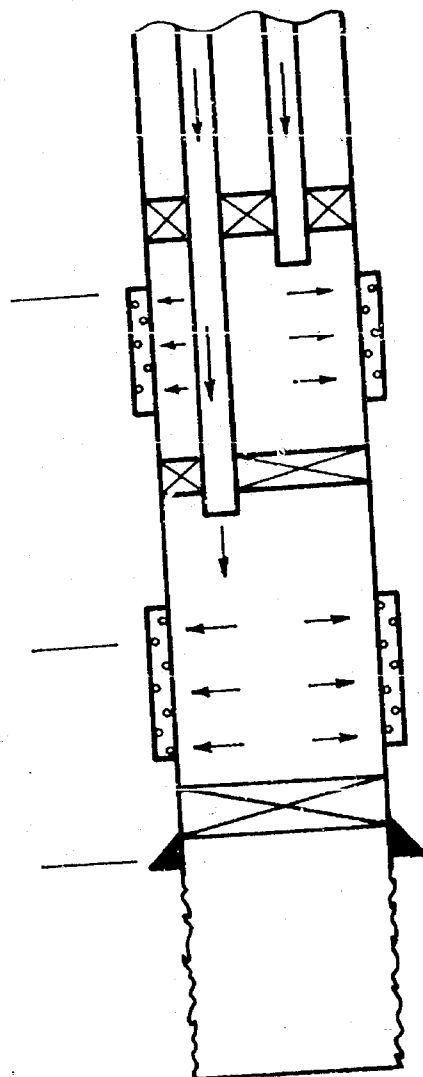
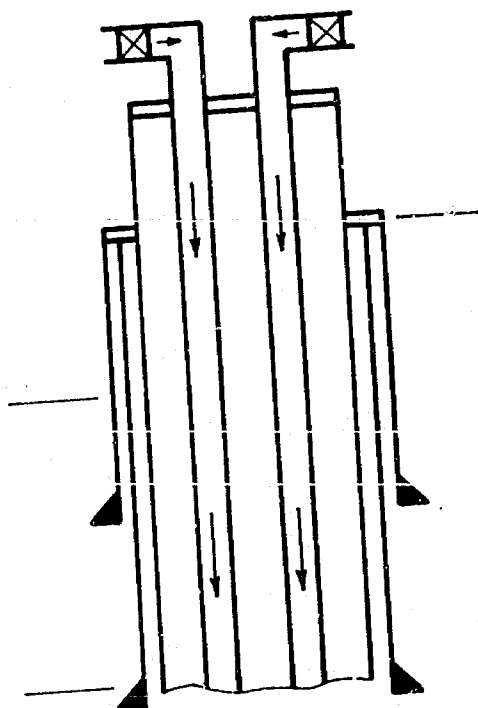
13-3/8" csg. set @ 205'  
w/250 sx.  
Top cmt. @ surface (circ)

8-5/8" csg. set @ 3000'  
w/2200 sx.  
Top cmt. @ 360' (TS)

Blinebry perforations  
5726-5840'

Drinkard perforations  
6580-6740'

5-1/2" csg. set @ 6808'  
Cmt. w/300 sx.  
Top cmt. @ 4643' (calc)



Proposed Blinebry Unit Well No. 38 UT  
Proposed Drinkard Unit Well No. 38 LT

EXHIBIT NO. 61

CONOCO-LOCKHART B-13 NO. 2

UNIT E 1980' FNL & 660' FWL

SECTION 13, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO

13-3/8" csg. set @ 262'  
w/250 sx. cmt.  
Cmt. top @ surface (circ)

9-5/8" csg. set @ 3149'  
w/1675 sx. cmt.  
Cmt. top @ 1350' (TS)

Blinebry perforations  
5700-5910'

Drinkard perforations  
6600-6730'

7" csg. set @ 6748'  
w/651 sx. cmt.  
Cmt. top @ 3035' (TS)

EI. 3427' DF

TD 6050'

Proposed Blinebry Unit Well No. 40 UT  
Proposed Drinkard Unit Well No. 40 LT

EXHIBIT NO. 62

CONOCO-LOCKHART B-14 NO. 4

UNIT I 1980' FSL & 330' FEL

SECTION 14, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO

10-3/4" csg. set @ 263'  
Cmt. w/250 sx.  
Cmt. top @ surface (circ)

7-5/8" csg. set @ 2948'  
Cmt. w/1060 sx.  
Cmt. top @ 1679' (TS)

Blinebry perforations  
5718-5885'

5-1/2" csg. set @ 5874'  
Cmt. w/500 sx.  
Top cmt. @ 2950' (TS)

Drinkard perforations  
6600-6730'

3-1/2" liner hung from  
5800-6800'

EL 3425' DF

TD 6800'

Proposed Blinebry Unit Well No. 46 UT  
Proposed Drinkard Unit Well No. 46 LT

EXHIBIT NO. 65

# J. R. CONE-EUBANKS NO. 3

UNIT K 1980' FSL & 1830' FWL

SECTION 14, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO

13-3/8" csg. set @ 249'  
Cmt. w/200 sx.  
Top cmt. @ surface (circ)

8-5/8" csg. set @ 2857'  
w/1600 sx. cmt.  
Top cmt. @ surface (circ)

Blinebry perforations  
5710-5925'

Drinkard perforations  
6542-6635'

5-1/2" csg. set @ 6842'  
Cmt. w/600 sx.  
Top cmt. @ 2564' (calc)

EL 3424'

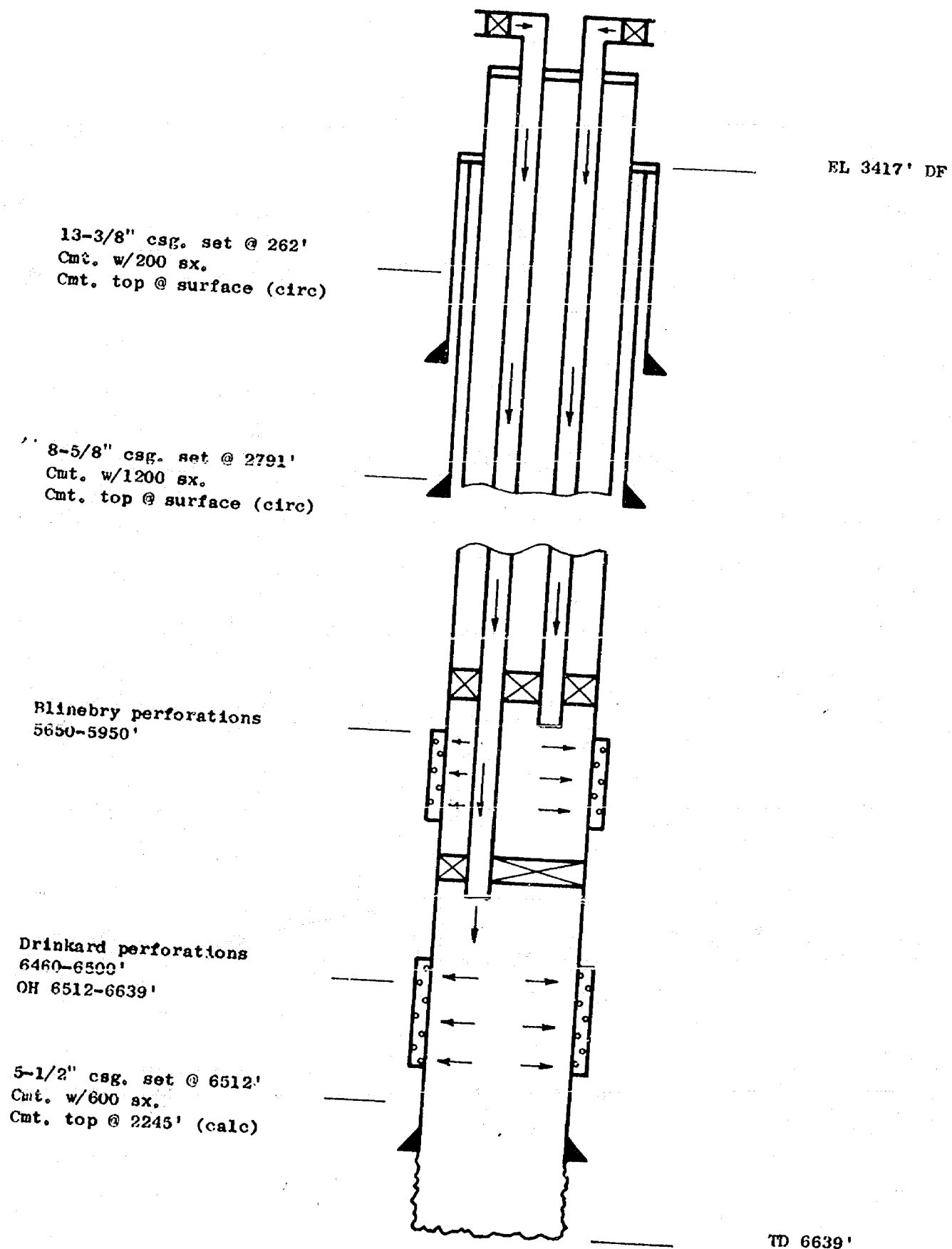
PBD 6732'

TD 7525'

Proposed Blinebry Unit Well No. 48 UT  
Proposed Drinkard Unit Well No. 48 LT

EXHIBIT NO. 66

J. R. CONE - EUBANKS NO. 1  
 UNIT M 660' FSL & 660' FWL  
 SECTION 14, T 21 S, R 37 E  
 LEA COUNTY, NEW MEXICO



Proposed Blinbry Unit Well No. 50 UT  
 Proposed Drinkard Unit Well No. 50 LT

GULF - KEENUM NO. 2  
UNIT O - 1980' FEL & 660' FSL  
SECTION 14, T 21 S-R 37 E  
LEA COUNTY, NEW MEXICO

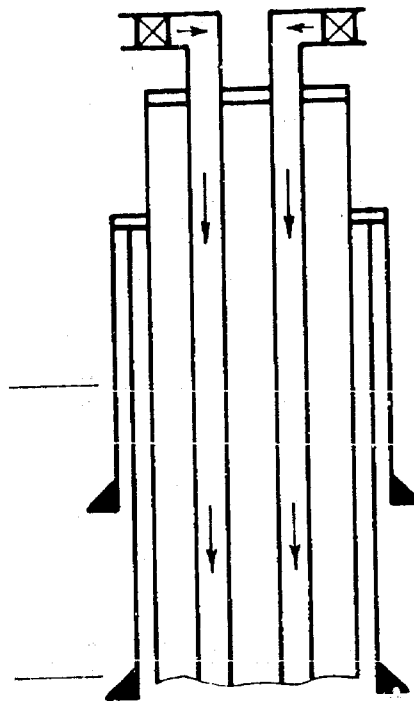
12-3/4" csg. @ 212'  
Cmt. w/240 sx.  
Top @ surface (circ)

9-5/8" csg. @ 2986'  
Cmt. w/1350 sx.  
Cmt. top @ 538' (calc)

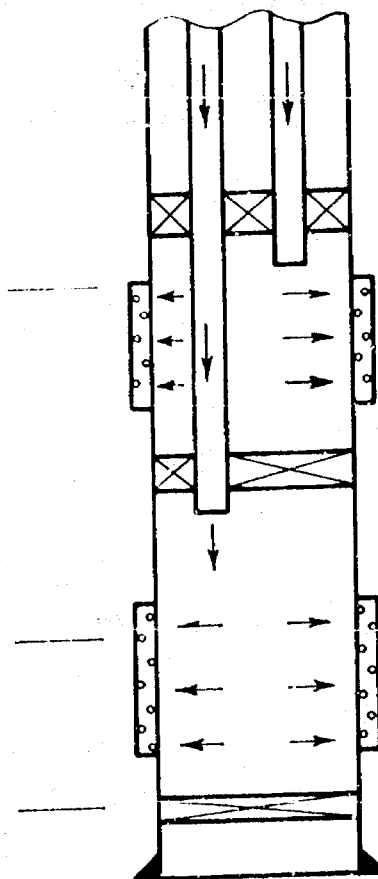
Blinebry perforations  
5700-5910'

Drinkard perforations  
6500-6600'  
SI

5-1/2" csg. @ 7193'  
Cmt. w/735 sx.  
Cmt. top @ 2970' (TS)



EL 3419' DF



PBD 6692'

TD 7193'

Proposed Blinebry Unit Well No. 52 UT  
Proposed Drinkard Unit Well No. 52 LT

EXHIBIT NO. 68

# CONOCO-LOCKHART B-13 NO. 1

UNIT M 660' FSL & 660' FWL

SECTION 13, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO

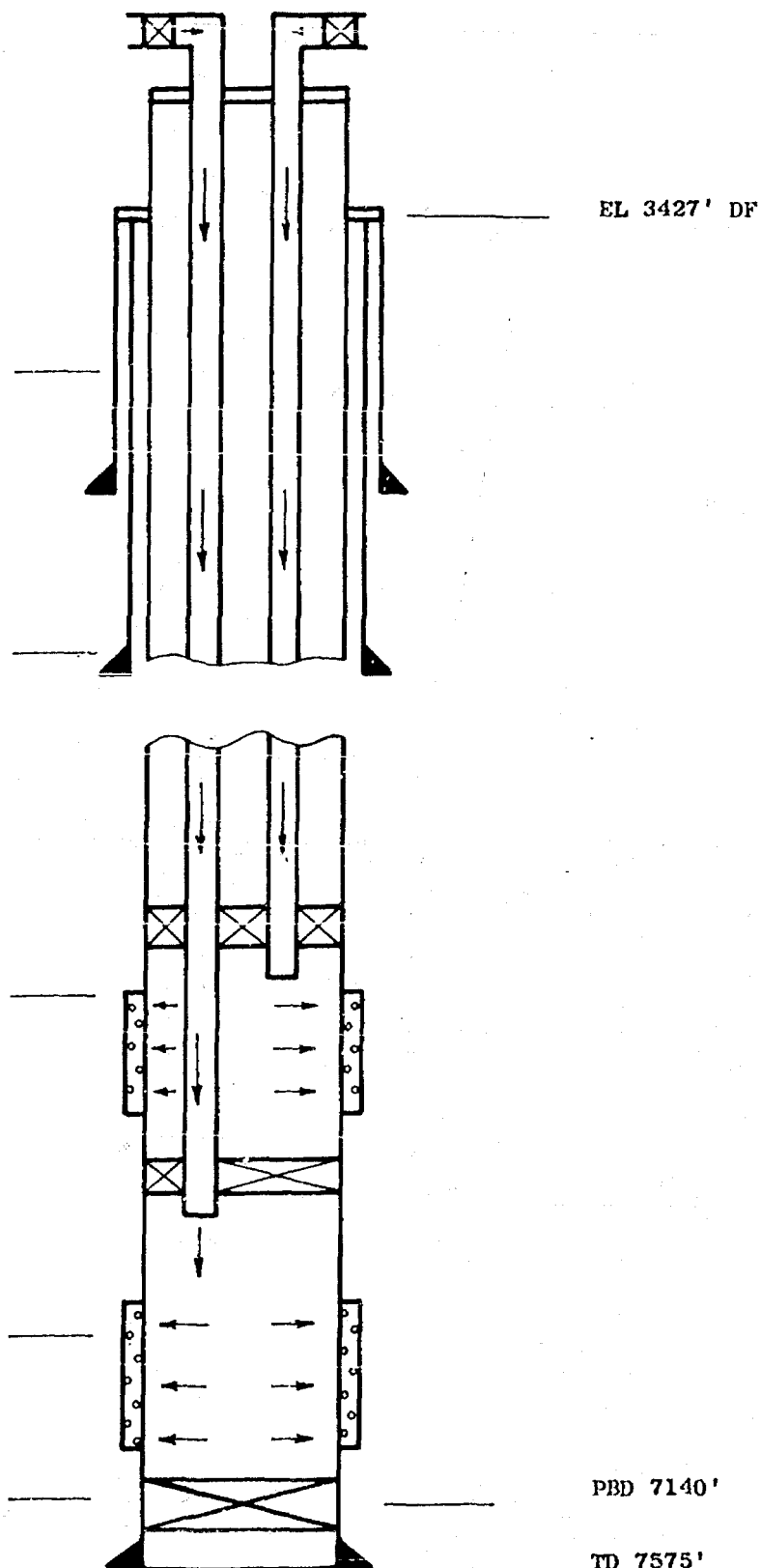
13-3/8" csg. set @ 238'  
Cmt. w/250 sx.  
Top cmt. @ surface (circ)

9-3/8" csg. set @ 3150'  
Cmt. w/1596 sx.  
Top cmt. @ surface (circ)

Blinebry perforations  
5720-5830'

Drinkard perforations  
6560-6700'

7-1/2" csg. set @ 7576'  
Cmt. w/730 sx.  
Top cmt. 3100' (circ)



Proposed Blinebry Unit Well No. 54 UT  
Proposed Drinkard Unit Well No. 54 LT

EXHIBIT NO. 69

**SUMMIT ENERGY-NANCY STEPHENS NO. 3**  
 UNIT C 660' FNL & 1980' FWL  
 SECTION 24, T 21 S, R 37 E  
 LEA COUNTY, NEW MEXICO

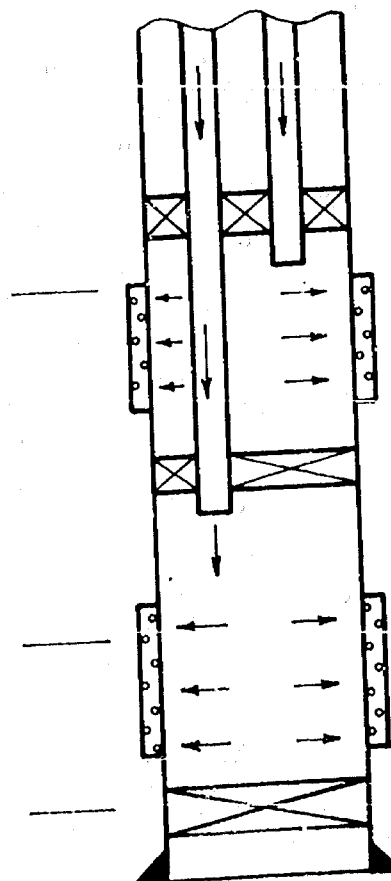
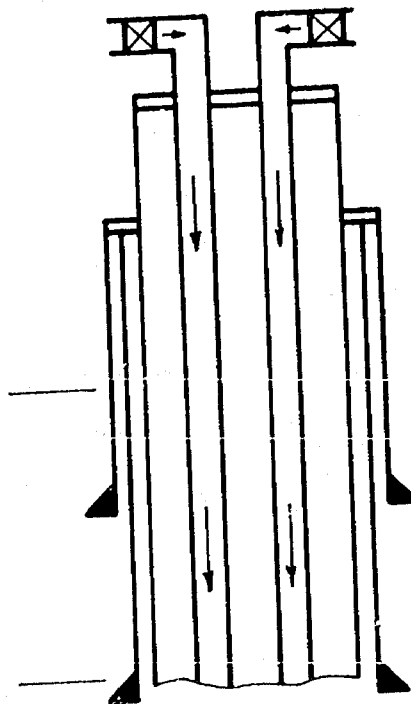
13-3/8" csg. set @ 253'  
 w/225 sx.  
 Top cmt. @ surface (circ)

8-5/8" csg. set @ 2999'  
 w/1280 sx.  
 Top cmt. @ surface (calc)

Blinebry perforations  
 5756-6058'

Drinkard perforations  
 6700-6860'

5-1/2" csg. set @ 7200'  
 Cmt. w/650 sx.  
 Top cmt. @ 2560' (calc)



EL 3433' DF

PBD 7190'

TD 7200'

Proposed Blinebry Unit Well No. 56 UT  
 Proposed Drinkard Unit Well No. 56 LT

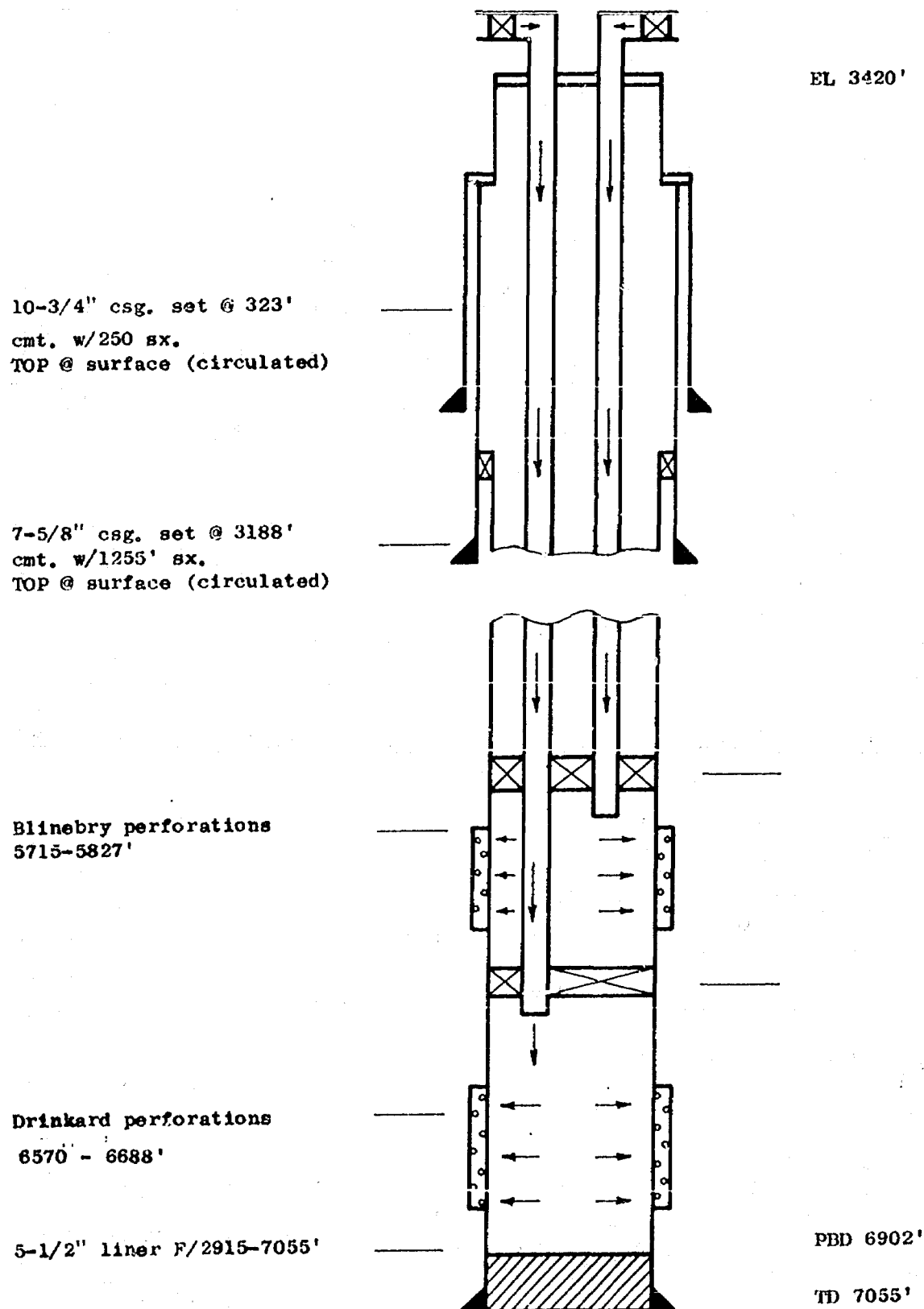
EXHIBIT NO. 70

# MOBIL - D. A. WILLIAMSON NO. 1

UNIT A - 660' FN & 660' FE

SECTION 23, T21S, R37E

LEA COUNTY, NEW MEXICO



Proposed Blinbry Unit Well No. 58 UT  
Proposed Drinkard Unit Well No. 58 LT

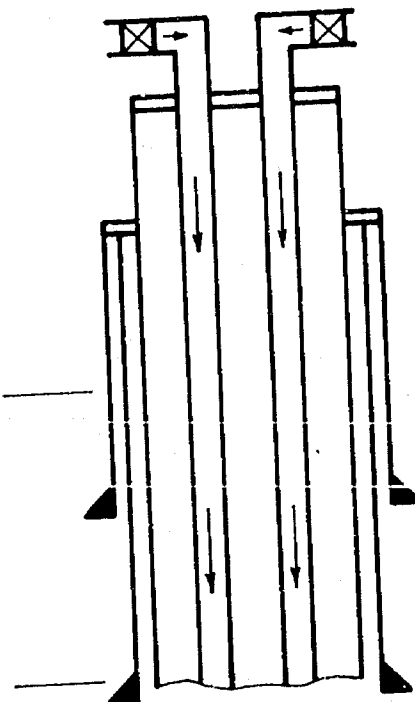
EXHIBIT NO. 71

# GETTY-D. A. WILLIAMSON NO. 4

UNIT C - 660' FN & 1980' FW  
SECTION 23, T 21 S, R 37 E  
LEA COUNTY, NEW MEXICO

13-8/8" csg. @ 334'  
w/200 sx. cmt.  
TOP @ surface (calculated)

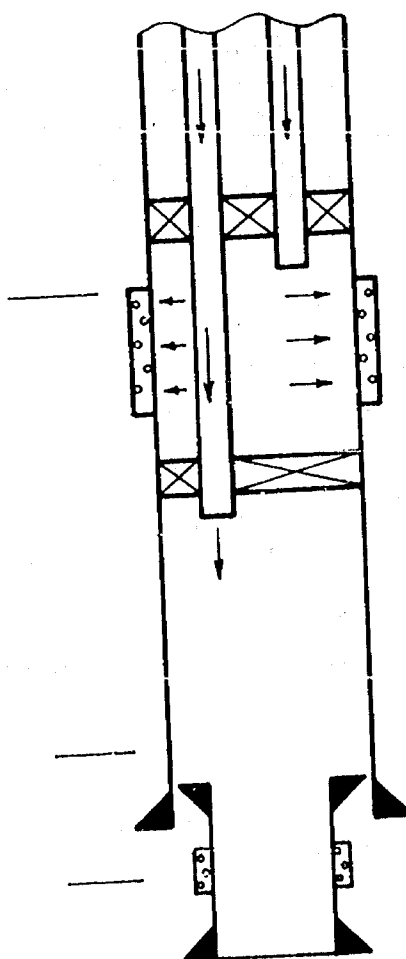
8-5/8" csg. @ 2848'  
w/500 sx. cmt.  
TOP @ 1510' (TS)



Blinebry perforations  
5665-5867'

5-1/2" csg. @ 6456'  
cmt. w/500 sx.  
TOP @ 2848' (calculated)

Drinkard perforations  
@ approx. 6520-60'



3-1/2" liner @ 6600'  
Cmt. to top

TD 6600'

Proposed Blinebry Unit Well No. 60 UT  
Proposed Drinkard Unit Well No. 60 LT

# GETTY - D. A. WILLIAMSON NO. 2

UNIT E - 1980' FN & 660' FW

SECTION 23, T 21 S, R 37 E

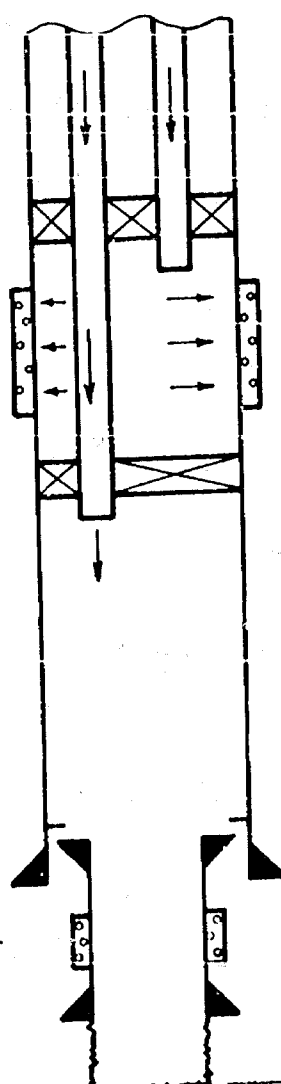
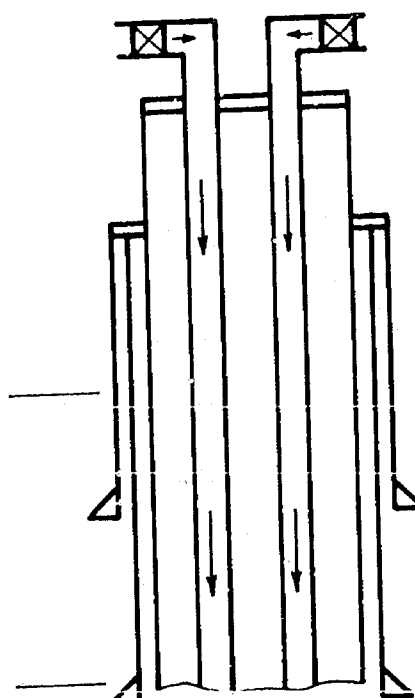
LEA COUNTY, NEW MEXICO

13-3/8" csg. set @ 293'  
cmt. w/300 sx.  
TOP @ surface/circulated

8-5/8" csg. set @ 2798'  
cmt. w/1200 sx.  
TOP @ surface/circulated

5-1/2" csg. @ 6520'  
cmt. w/400 sx.  
TOP @ 3635' (calculated)

3" liner @ 6615' (top cemented)



Blinebry perforations  
5754-5875'

Drinkard perforations  
6532-94'

TD 6615'

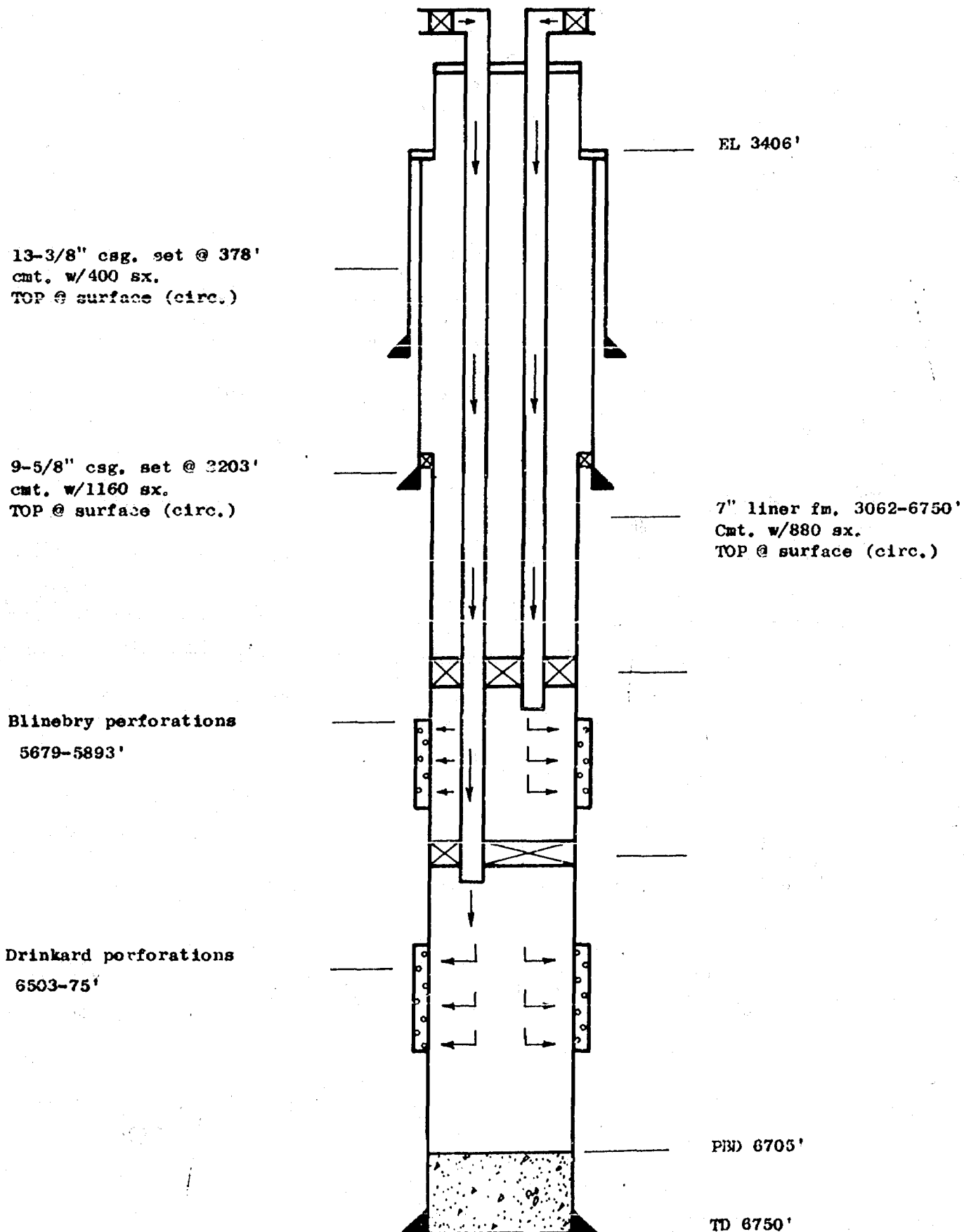
Proposed Blinebry Unit Well No. 62 UT  
Proposed Drinkard Unit Well No. 62 LT

A.R.Co. - BARTON NO. 4

UNIT G - 1750' FN & 1980' FE

SECTION 23, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO



Proposed Blinebry Unit Well No. 64 UT  
Proposed Drinkard Unit Well No. 64 LT

# GULF - NANCY STEPHENS NO. 2

UNIT E - 1980' FNL & 660' FWL

SECTION 24 - T21 S-R37 E

LEA COUNTY, NEW MEXICO

EL 3424' DP

13-3/8" csg. set @ 255'  
w/325 sx. cmt.  
Top @ surface (circ)

8-5/8" csg. set @ 2999'  
w/1638 sx. cmt.  
Top @ 246' w/temp. survey

Blinebry perforations  
5765-5990'

Drinkard perforations  
6550-6600'

5-1/2" csg. set @ 7199'  
w/1000 sx. cmt.  
Top @

PBD 6792'

TD 7150'

Proposed Blinebry Unit Well No. 66 UT  
Proposed Drinkard Unit Well No. 66 LT

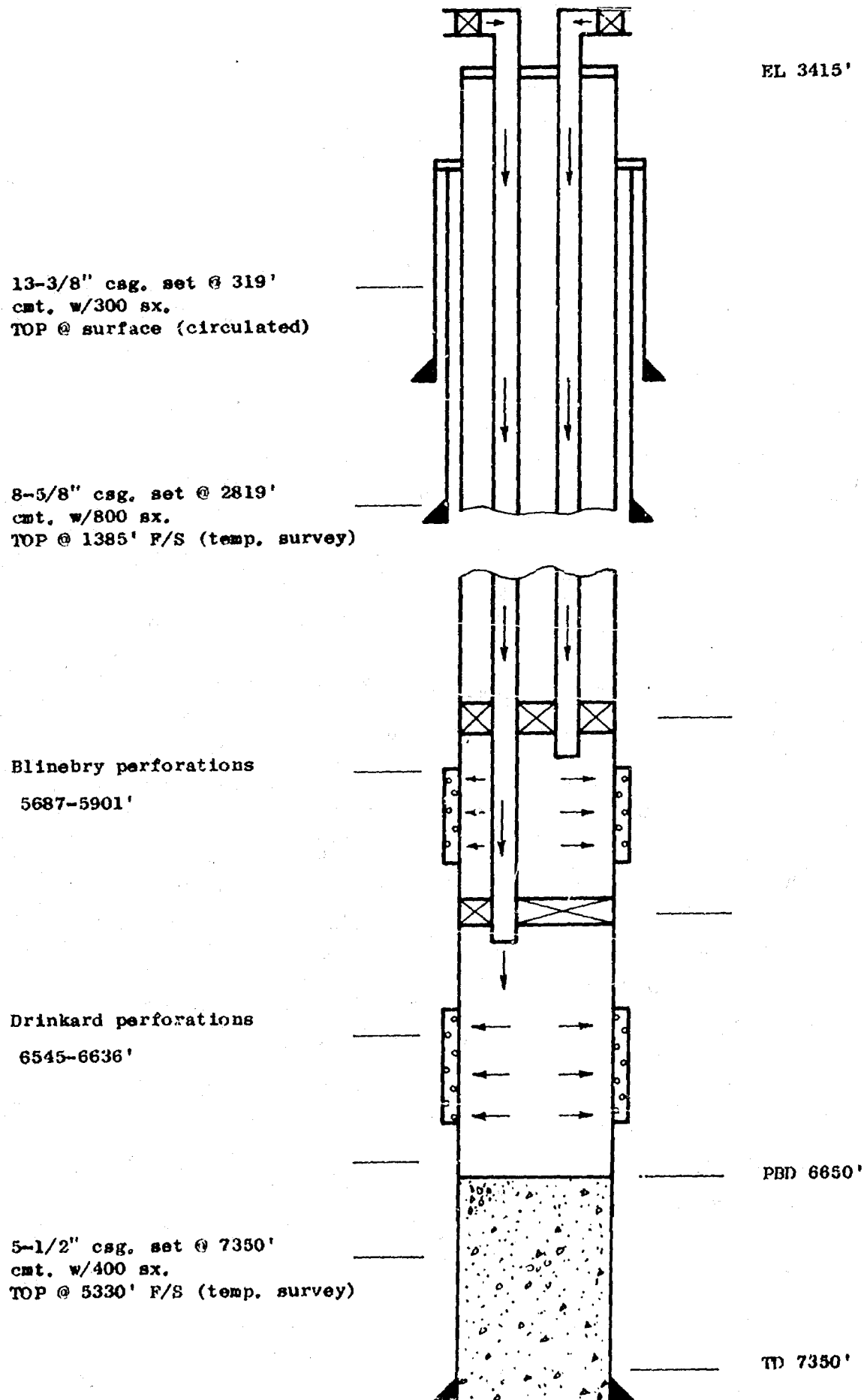
EXHIBIT NO. 75

A.R.Co. - SARKEYS NO. 3

UNIT 1 - 2310' FS & 330' FE

SECTION 23, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO



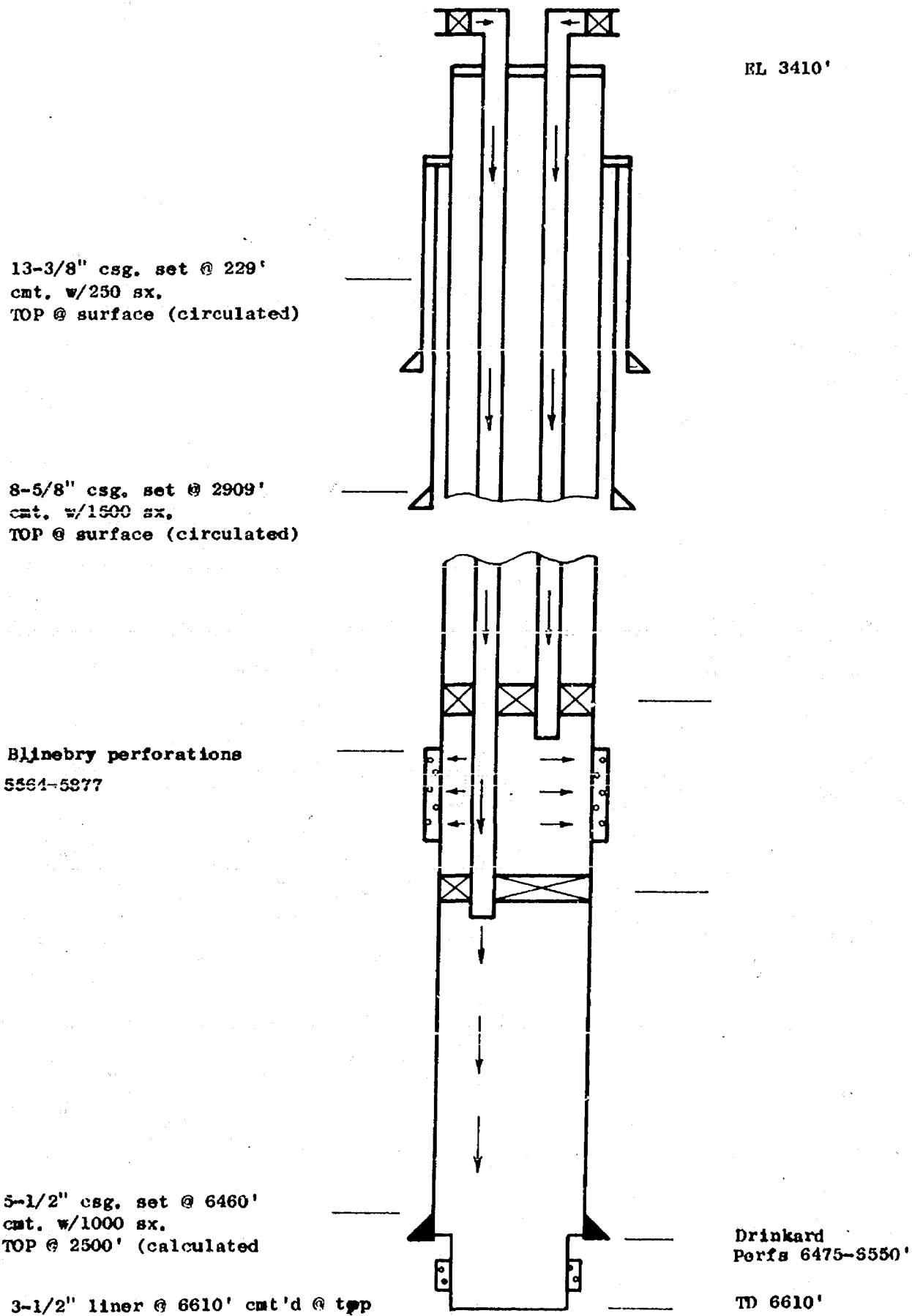
Proposed Blinebry Unit Well No. 69 UT  
Proposed Drinkard Unit Well No. 69 LT

# SHELL - SARKEYS NO. 2

UNIT K - 1980' FS & 1980' FW

SECTION 23, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO



Proposed Blinebry Unit Well No. 71 UT  
Proposed Drinkard Unit Well No. 71 LT

# SHELL - SARKEYS NO. 1

UNIT M - 660' FS & 660' FW

SECTION 23, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO

13-3/8" csg. set @ 223'  
cmt. 200 sx.  
TOP @ surface (circulated)

8-5/8" csg. set @ 2881'  
cmt. w/750 sx.  
TOP @ surface (circulated)

Blinebry perforations  
5685-5832'

Drinkard perforations  
6503-6583'

5-1/2" csg. set @ 6603'  
cmt. w/600 sx.  
TOP @ 2335' (calculated)

EL 3403'

TD 6603'

Proposed Blinebry Unit Well No. 73 UT  
Proposed Drinkard Unit Well No. 73 1/T

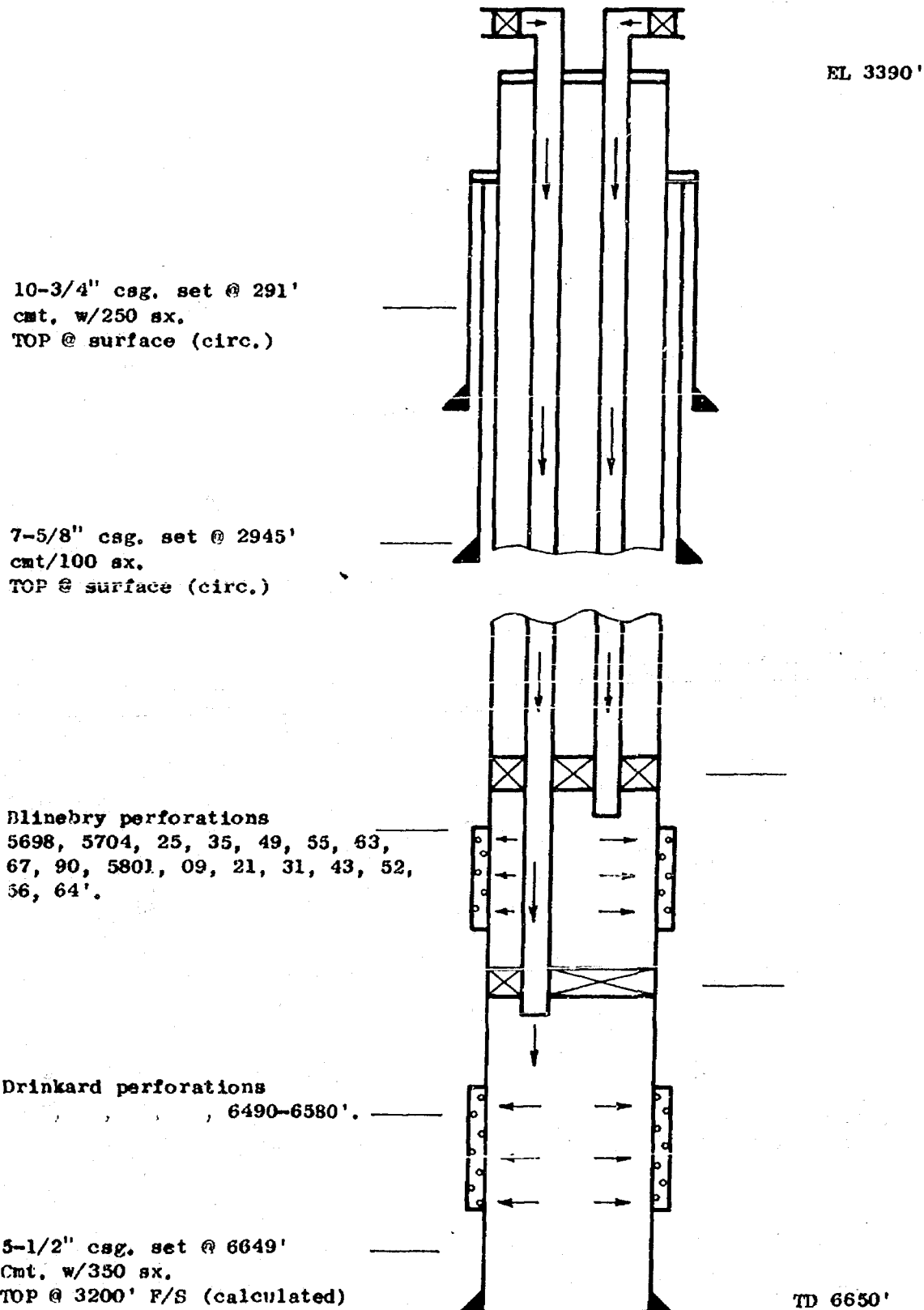
EXHIBIT NO. 70

# A.R.Co. - SARKEYS NO. 2

UNIT O - 330' FS & 2310' FE

SECTION 23, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO



Proposed Blinebry Unit Well No. 75 UT  
Proposed Drinkard Unit Well No. 75 LT

EXHIBIT NO. 79

# MOBIL - STEPHENS ESTATE NO. 2

UNIT M 660' FSL & 660' FWL

SECTION 24, T 21 S, R 37 E

LEA COUNTY, NEW MEXICO

Proposed Blinebry Unit Well No. 77 UT  
Proposed Drinkard Unit Well No. 77 LT

13-3/8" csg. set @ 352'  
w/375 sx. of cmt.  
Top cmt. @ surface (circ)

9-5/8" csg. set @ 3160'  
w/1760 sx. cmt.  
Top cmt. @ surface (circ)

Blinebry perforations  
5680-5860'

Drinkard perforations  
6500-6595'

7" liner set fm. 2893-6700'  
Cmt. w/940 sx.  
Top cmt. @ 2893' (circ)

5" liner set @ 7245' w/top  
@ 6530. Cmented w/90 sx.  
Cmt. @ top (calc)

EL 3413' DF

PBD 6900'

TD 7245'



Getty Oil Company

P.O. Box 1231, Midland, Texas 79702 Telephone (915) 683-6301

Audra B. Cary, District Production Manager  
Central Exploration and Production Division

October 14, 1977  
17 1977  
OCT 17 1977

Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey

Gentlemen:

Getty Oil Company supports the position of Atlantic Richfield Company in the following cases to be heard before the Commission on October 20, 1977:

- (1) Case No. 6069 - Application for statutory unitization of the East Blinbry Unit.
- (2) Case No. 6000 - Application for a waterflood project in the East Blinbry Unit Area.
- (3) Case No. 6070 - Application for statutory unitization of the East Drinkard Unit.
- (4) Case No. 5998 - Application for a waterflood project in the East Drinkard Unit Area.

Yours very truly,

*Audra B. Cary*  
Audra B. Cary

OVS/slw

Dockets Nos. 35-77 and 36-77 are tentatively set for hearing on November 16 and 30, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - OCTOBER 20, 1977 - THURSDAY

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

CASE 6069: Application of Atlantic Richfield Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the East Blinebry Unit underlying the following described lands in Township 21 South, Range 37 East, Blinebry Oil and Gas Pool, Lea County, New Mexico:

Section 11: All  
Section 12: W/2 E/2 and W/2  
Section 13: W/2 NE/4, NW/4 SE/4, and W/2  
Section 14: All  
Section 23: All  
Section 24: NW/4 and W/2 SW/4

The unitized interval would be that from a depth of 5550 feet to 6007 feet in the ARCO Barton Well No. 3 located in Unit H of the aforesaid Section 23.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 6000: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Blinebry Unit Area, Lea County, New Mexico, by the injection of water into the Blinebry formation through 38 wells.

CASE 6070: Application of Atlantic Richfield Company for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of secondary recovery, all mineral interests in the East Drinkard Unit underlying the following described lands in Township 21 South, Range 37 East, Drinkard Pool, Lea County, New Mexico:

Section 11: All  
Section 12: W/2 E/2 and W/2  
Section 13: W/2 NE/4, NW/4 SE/4, and W/2  
Section 14: All  
Section 23: All  
Section 24: NW/4 and W/2 SW/4

The unitized interval would be that from a depth of 6450 feet to 6730 feet in the ARCO Barton Well No. 3 located in Unit H of the aforesaid Section 23.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of a fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 5998: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Drinkard Unit Area, Lea County, New Mexico, by the injection of water into the Drinkard formation through 30 wells.

Dockets Nos. 31-77 and 32-77 are tentatively set for hearing on October 12 and 26, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 28, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- CASE 6048: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Saguaro Oil Company and all other interested parties to appear and show cause why the Moran State Well No. 1 located in Unit A of Section 36, Township 18 North, Range 9 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6049: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Douglas Kenaston, Mints-Kenaston Drilling Co., and all other interested parties to appear and show cause why the Masden-Selby Well No. 1 located in Unit I of Section 21, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6050: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit J. Felix Hickman and all other interested parties to appear and show cause why the Malco State Com Well No. 1 located in Unit G of Section 16, Township 26 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6051: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit B. G. West and N. W. McIntosh and all other interested parties to appear and show cause why the Rollins and Dodgen Well No. 2 located in Unit D of Section 28, Township 18 North, Range 3 West, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6052: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Western Energy Corporation and all other interested parties to appear and show cause why the Ute Well No. 2 located in Unit O of Section 23, Township 31 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6053: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Noel Reynolds and all other interested parties to appear and show cause why the Torreon Water Well No. 1 located in Unit J of Section 28, Township 18 North, Range 3 West, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6054: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John F. Staver and all other interested parties to appear and show cause why the Paperthin Well No. 1 located in Unit F of Section 26, Township 19 North, Range 5 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6055: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Han-San, Inc., and all other interested parties to appear and show cause why the Grevey Well No. 4 located in Unit E of Section 26, Township 26 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6056: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Julius Chodorow, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Ute Well No. 1 located in Unit F of Section 20, Township 31 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.
- CASE 6021: (Readvertised)
- Application of Yates Petroleum Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the interval from 963 feet to 1560 feet in its Federal HJ Well No. 1 located in Unit A of Section 31, Township 6 South, Range 26 East, Linda-San Andres Pool, Chaves County, New Mexico.
- CASE 5983: (Continued from September 14, 1977, Examiner Hearing)
- Application of Yates Petroleum Corporation for the amendment of Order No. R-5445, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5445 to provide for a 200 percent risk factor for drilling the unit well rather than 20 percent. Said order pooled the N/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.

- CASE 6038: Application of W. Ridley Wheeler Estate for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in an undesignated San Andres reservoir by the injection of water into the San Andres formation thru the open-hole interval from 4800 feet to 4870 feet in its Markham Well No. 2, to be drilled 1980 feet from the South line and 25 feet from the East line of Section 28, Township 9 South, Range 35 East, Lea County, New Mexico.
- CASE 6039: Application of Gulf Oil Corporation for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of three Drinkard Pool wells on its Central Drinkard Unit in Township 21 South, Range 37 East, Lea County, New Mexico, as follows:
- Well No. 419, surface location 1631 feet from the South line and 260 feet from the West line of Section 28, to be bottomed approximately 1335 feet from South line and 15 feet from East line of Section 29; Well No. 421, surface location 1465 feet from North line and 1056 feet from East line of Section 32, to be bottomed approximately 1305 feet from North and East lines of Section 32; and Well No. 422, surface location 1155 feet from North line and 1000 feet from West line of Section 33, to be bottomed approximately 1305 feet from North line and 1335 feet from West line of Section 33.
- CASE 6040: Application of Gulf Oil Corporation for pool reclassification and a special GOR limit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the North Teague-Devonian Gas Pool in Sections 22 and 27, Township 23 South, Range 37 East, Lea County, New Mexico, as an oil pool and the consolidation of said pool with the Teague-Devonian Oil Pool in Sections 27, 34, and 35 of said Township. Applicant further requests a special gas-oil ratio limit for said Teague-Devonian Oil Pool of not more than 5000 to one.
- CASE 6041: Application of Gulf Oil Corporation for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Harry Leonard Well No. 12 located in Unit P of Section 22, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to a previously approved 480-acre multiple well non-standard proration unit.
- CASE 6042: Application of Gulf Oil Corporation for a non-standard proration unit, simultaneous dedication, and unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 388.51-acre non-standard gas proration unit comprising the NW/4 and E/2 SW/4 of Section 6, and the NW/4 of Section 7, both in Township 22 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's H. T. Mattern Wells Nos. 6 and 3, at unorthodox locations in Unit N of Section 6 and Unit F of Section 7, respectively.
- CASE 6043: Application of V-F Petroleum Inc., for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 330 feet from the South line and 2310 feet from the East line of Section 29, Township 3 South, Range 38 East, North Sawyer-Devonian Pool, Roosevelt County, New Mexico.
- CASE 6044: Application of Orla Petco for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to 3500 feet underlying the NE/4 NE/4 of Section 1, Township 23 South, Range 27 East, and also the NW/4 NE/4 of said Section, Eddy County, New Mexico, to form two 40-acre units, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 6045: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the NW/4 of Section 12, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6046: Application of Belco Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 3, Township 22 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6047: Application of Continental Oil Company for capacity allowables, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a capacity allowable for its Pearl "B" Wells Nos. 5 and 6, located in Units M and O, respectively, of Section 25, Township 17 South, Range 32 East, and its Pearl "B" Well No. 7 located in Unit M of Section 30, Township 17 South, Range 33 East, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico.

CASE 6001: (Continued from August 3, 1977 Examiner Hearing)

Application of Mesa Petroleum Co. for an exception to Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-5459 to exclude its Primo Well No. 1-A located in Unit D of Section 6, Township 31 North, Range 10 West, San Juan County, New Mexico, from the vertical limits of the Blanco-Mesaverde Pool as defined by said order.

CASE 5997: (Continued from July 20, 1977, Examiner Hearing)

Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its East Drinkard Unit Area comprising 3080 acres, more or less, of Federal and fee lands in Sections 11, 12, 13, 14, 15 and 24, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 5998: (Continued from July 20, 1977, Examiner Hearing)

Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Drinkard Unit Area, Lea County, New Mexico, by the injection of water into the Drinkard formation through 30 wells.

CASE 5999: (Continued from July 20, 1977, Examiner Hearing)

Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its East Blinebry Unit Area comprising 3080 acres, more or less, of Federal and fee lands in Sections 11, 12, 13, 14, 23, and 24, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 6000: (Continued from July 20, 1977, Examiner Hearing)

Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Blinebry Unit Area, Lea County, New Mexico, by the injection of water into the Blinebry formation through 38 wells.

LAW OFFICES

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OF COUNSEL  
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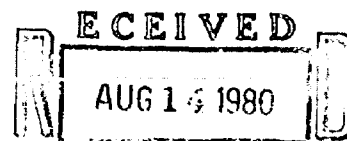
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ONLY ATTYS. EATON, COFFIELD, MARTIN, BOZARTH,  
BOHANNON, FINNEY, FOSTER, ALLEN, ALLEY,  
BURFORD, BREWER & STONE  
LICENSED IN TEXAS

August 4, 1980

Mr. Dan Nutter  
Oil Conservation Division  
Post Office Box 2088  
Santa Fe, New Mexico 87501



OIL CONSERVATION DIVISION  
SANTA FE

Re: East Blinebry and Drinkard Units  
Lea County, New Mexico  
Case No. 5998  
Case No. 6000  
Case No. 6069  
Case No. 6070

Dear Dan:

Please make reference to my prior letter of July 29, 1980, in connection with the above referenced cases. In that letter, I requested, among other things, that the cases involved not be dismissed. My understanding of Atlantic Richfield Company's desires in this connection was inaccurate. Therefore, please consider this letter as a formal request that all four cases be dismissed. Apparently, there is some possibility that one or more of the parties who were previously involved in these cases may want to reform a unit or units and again apply to the Division for authority to unitize the areas in a manner similar to the authorization which was previously sought. However, such a procedure will be subject to the determination of the various working interest owners involved.

I trust that this letter is all that will be needed in order to complete your record as to a written request for the dismissal of all four cases involved. However, if anything further is needed, please call.

Thank you.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY

Conrad E. Coffield

CEC:rh  
Enclosures

Mr. Dan Nutter

-2-

August 4, 1980

xc: Mr. Jerry Tweed  
Atlantic Richfield Company  
Post Office Box 1610  
Midland, Texas 79702

xc: Mr. Horace Burton  
Atlantic Richfield Company  
Post Office Box 2819  
Dallas, Texas 75221

xc: Mr. Clarence E. Hinkle  
Hinkle, Cox, Eaton, Coffield & Hensley  
Post Office Box 10  
Roswell, New Mexico 88201

<u>Tract No.</u>	<u>Tract Name</u>	<u>Operator</u>
16	Gulf Bunin	Summit Energy
17	Bunin	Imperial American
23	Sarkeys	Eastland
27	Nancy	Lesser

Mr. Tweed pointed out that the unit boundary could be redrawn to eliminate several of the tracts without affecting unit equity. He also stated that any action along these lines would be brought before the working interest owners for a vote. Mr. V. T. Lyon, Continental Oil Company, wanted to know if under forced pooling could the unit be selective to the extent of excluding wells not desired. No one knew for certain.

4. The floor was opened to recommendations for formula. Several comments were made prior to specific recommendations.
  - A) Mr. V. T. Lyon suggested those working interest owners who had not replied to Formula No. 10 might wish to make some comments. Mr. Buck, Shell Oil Company, and Mr. J. E. Eakins, Getty Oil Company both stated their feeling that since the formula had not passed they didn't need to approach management with a formula which was close to minimum equity.
  - B) Mr. Buck also pointed out that Shell Oil Company defined capital as being "expenditures" when conducting any discussions or conducting any vote on a capital investment schedule for the operating agreement.
  - C) Mr. V. T. Lyon suggested that we define "remaining primary oil" as that oil remaining for the four unitized formations (1,881,381 BO) as of 7/1/75. He noted it had been sent out as such on the last letter ballot.
  - D) Mr. M. S. Todd, Texaco, Inc., suggested breaking out dry gas and producing it at a Phase I participation throughout the life of the unit. Oil and casinghead gas would still be produced under a separate Phase I and Phase II participation. Mr. Tweed said that this idea had been given consideration but was vetoed by the legal considerations which emerge from the possibility of watering out the Tubb gas zone which is located between the two secondary recovery zones, Blinobry and Drinkard. Mr. J. E. Eakins also pointed out the problem of the Tubb formation changing from a gas to oil classification with a field wide gas-oil-ratio rule.

The proposed East Blinebry-Drinkard Units, if approved, will unitize the Blinebry and Drinkard reservoirs of the unit area. Sandwiched between these two reservoirs is the Tubb formation which is productive of gas. Also immediately underlying the Drinkard is found the Wichita Albany-Abo formation which is an established source of supply of oil and gas from the unit area.

In the case of the Eubanks lease (Tract 13 to the Unit) some 46.5% of the known reserve is credited to the Tubb formation and 21.4% credited to the Abo formation. Therefore, we find 67.9% of the proven and productive reserve in formations which are adjacent to the proposed unitized formations and recoverable from bore holes that are also necessary for prosecution of the proposed plan of operation of the units.

The Unit Operating Agreements for which approval is being considered here provides through Paragraph 11.1 on page 17 that the operators of each 40 acre tract of the proposed unit contribute a usable well bore for that tract or be assessed an amount of money up to \$200,000 for each such well bore not so contributed. There is no provision for the Unit Working Interest Owners or its operators to compensate the contributing Working Interest Owners for loss of access to usable well bores in existence at the time of unitization that have been designed and planned for unitization in the recovery of Tubb or Abo reserve underlying the tracts included in this Unit.

The Eubanks lease contains four (4) well bores providing access to Blinebry, Tubb, Drinkard and Abo formations. If the terms of the Unit Operating Agreement are approved as they are presented here the Working Interest Owners of Tract 13 will be denied existing bore hole access to 67.9% of these proven and productive reserve or be assessed a major economic penalty. It is evident from this that the Unit Operating Agreement contains provisions allowing the Unit interest to confiscate valuable property without compensation.

It should also be pointed out that proven and producing natural gas reserves represented by the Tubb formation underlying the Eubanks (Tract 13) lease, as well as others of the area, are dedicated to El Paso Natural Gas Company through a Certificate of Necessity granted by the Federal Power Commission. If this access to producing Tubb gas is denied or damaged the owners of this lease will be faced with the obligation of providing a new bore hole through which the so dedicated gas may be delivered.

The economic implication of the proposed bore hole delivery or economic penalty requirement results in severe economic penalties to the owners of the Eubanks (Tract 13) lease, as well as assessable liability for loss of reserves dedicated to an interstate market under the rules of the Federal Power Commission.

Futhermore, the loss of bore hole accessibility will require major capital expenditures to recover known Abo reserves. These penalties alone could be severe enough to prohibit the recovery of known reserve and thereby cause the loss of valuable oil and gas reserves.

It is evident that the owners of leases occupying the eastern one half of the proposed unit are operating properties that are near economic limit of primary recovery from the Blinbry and Drinkard formations. We concur that these operators should consider some form of enhanced recovery to force the production of the natural resources known to remain in those formations. Those leases in the western portion of the unit are producing at rates substantially greater than the economic limit of primary production. At present rates of decline, some five to ten years will be required for the western wells to reach the present level of production experienced by the eastern wells.

The eastern portion of the proposed units do not appear to represent the significant volumes of Tubb or Abo reserves that are known to exist in the western portion of the area in question. Therefore, the economic loss of access to valuable natural resources in that eastern portion of the area may not be as great as that of the western part of the unit area.

Therefore, if applicable any attempt at conducting an enhanced recovery program should by all reasonable logic be confined to the eastern portion of the proposed unit area and prosecuted to a point that would prove without doubt that such methods of recovery are truly applicable and efficient before consideration is given to expansion of the unit operating area and methods of recovery are allowed to expand into the western area of significant remaining primary reserves and resources contained in Tubb and Abo formations.

The plan of operation for the proposed unit area as considered here is founded upon sound techniques that have been successful in other reservoirs. The only similar operation in the area of the proposed unit, however, is that of Gulf Oil Corporation in their Central Drinkard Unit.

Page Three

The Central Drinkard Unit occupies an area, the center of which is four miles southwest from that of the proposed unit area. The Central Drinkard Unit is of comparable size to that of the Units being considered here. This size being 2,600 acres with 53 producing wells and 3,080 acres with 60 proposed producing wells respectively.

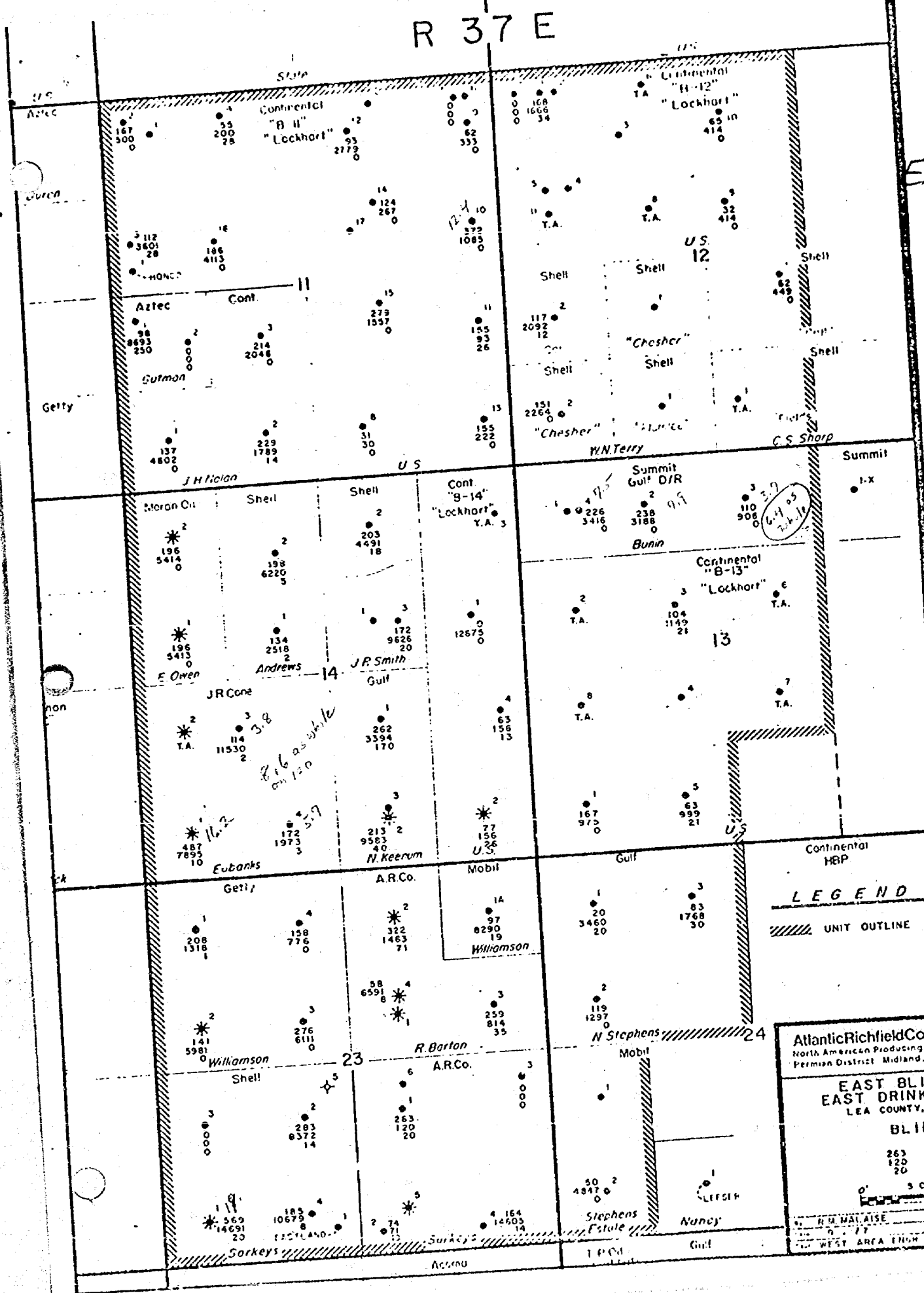
The Central Drinkard Unit should have been expected to have performed in a manner similar to that expected for the proposed East Blinbry-Drinkard Units. Yet in some five years of operation it has performed to an extent of only 25.5% of that hoped for in the area under consideration. This failure of effectiveness of the Central Drinkard Unit further emphasizes the advisability of slow orderly development of such a program from a pilot flood operation only as sound results can dictate.

If the proposed unit operations are successful to an extent of twice that thus far indicated by the Central Drinkard Unit a severe economic as well as natural resource loss for the area will result.

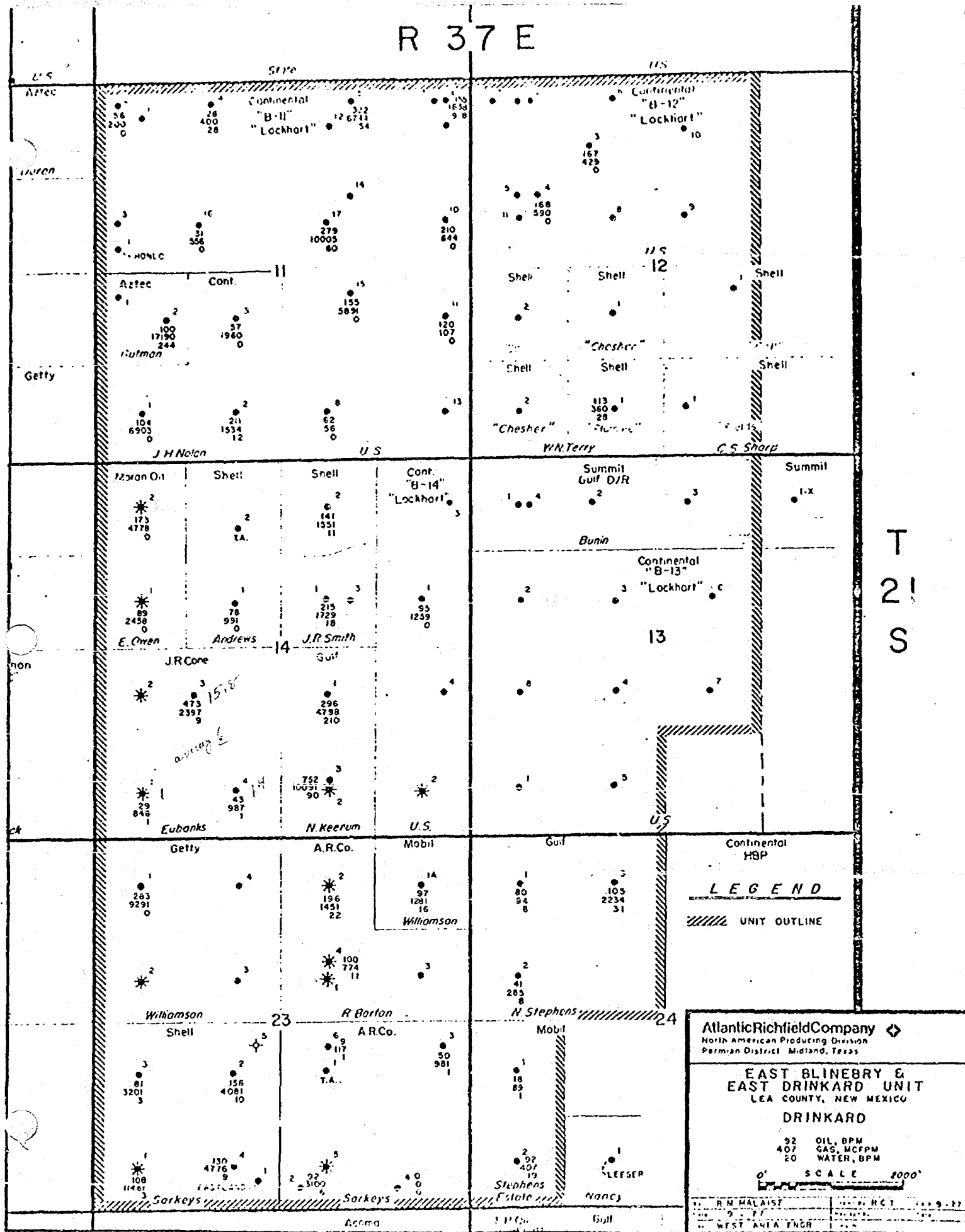
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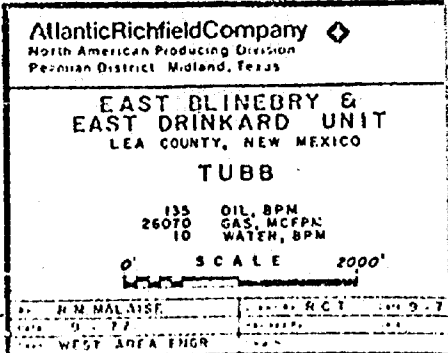
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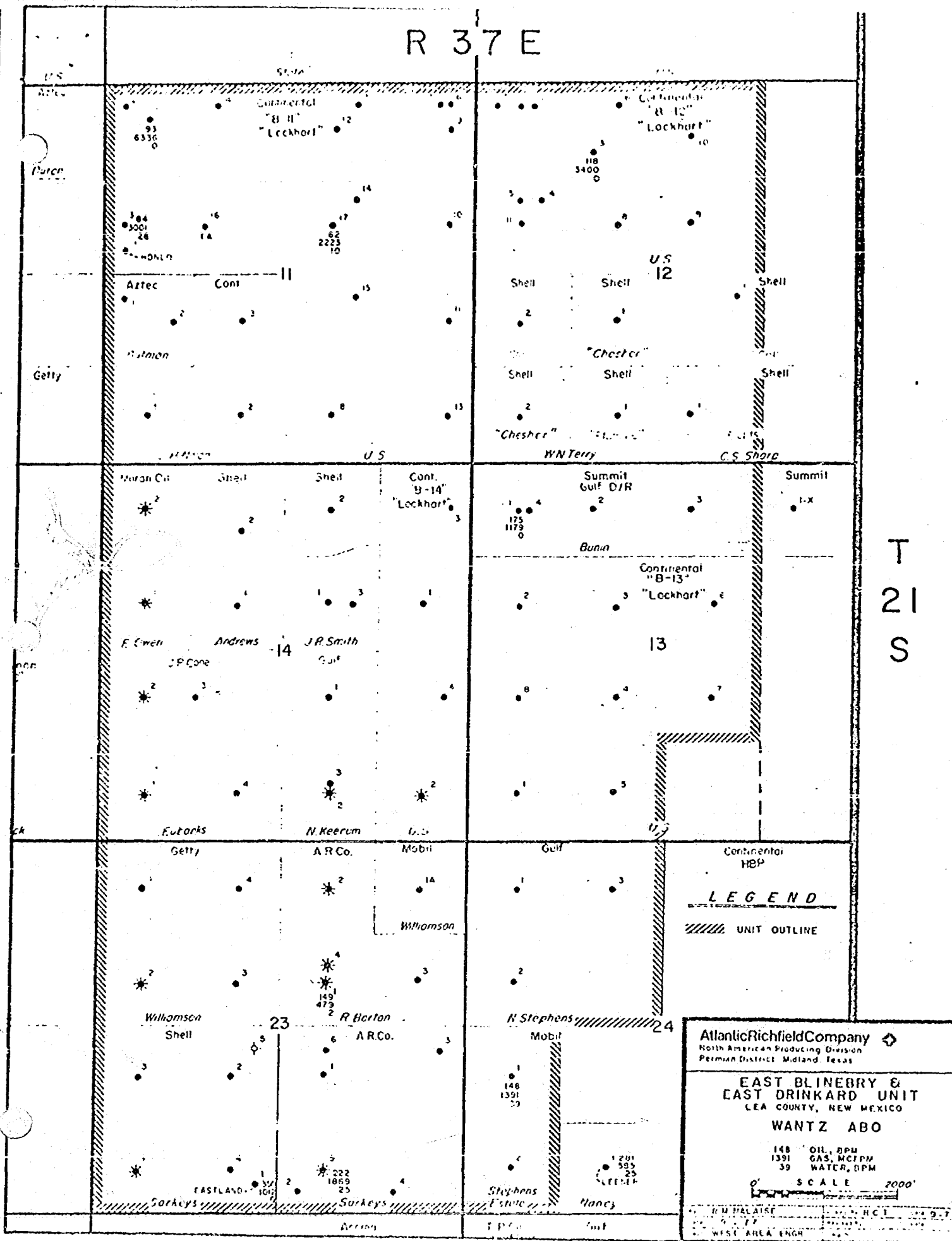
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July 18, 1977

Summit Energy, Inc.

Attn: Mr. [illegible]

Addressee List Attached

Re: East Blinebry and East Drinkard Units  
Lea County, New Mexico

Gentlemen:

Summit Energy, Inc., operator of the Gulf Bunin Lease in the proposed unit area, would like to request that all unsigned parties on the subject unit, have an independent engineering appraisal made on your equity, prior to joining any unit operation.

We would like to point out certain observations and pass on certain comments about the proposed secondary operation.

1. If you have equity in a Tubb Gas Zone or Abo Oil Zone and this is produced through a common bore hole and casing, are you aware of the affect to these pay sections when Blinebry or Drinkard work-overs are in progress?
2. As response occurs in the Blinebry Oil Zone or Drinkard Oil Zone, any inequity or damage to your Tubb or Abo Reserves will be completely masked and untrackable.
3. Why was not a pilot operation performed on specific ARCO properties prior to a request for total unit-ization of the field?
4. Do you think a Secondary Recovery Operation is timed well when operators still have leases which are producing \$ 5,000 per well net income? What if the FEA releases all stripper crude to float on the World market but excludes secondary reserves, even if your base lease was a stripper lease?

Summit Energy, Inc.

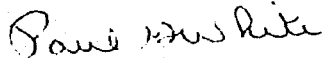
Page 2  
July 18, 1977

5. Summit has letters on file where we requested a co-operative agreement with ARCO in the event of waterflooding. We only want to operate our own property. We do not feel that this could possibly create the necessity of "force pooling". ARCO has refused to respond on this so it is our opinion that it becomes confiscation of property and not force pooling.

Atlantic Richfield Company has called for a hearing on the force pooling of all outstanding unsigned equities. The hearing has been postponed until September, 1977. I assume that the hearing has been delayed because Atlantic Richfield Company does not yet have the necessary percentage of working interests signed to the unit agreement. It would be a strange affair indeed to have a "force pooling" hearing before the New Mexico Oil Conservation Commission and not be able to provide the necessary signatures for unitization.

We would suggest that you be fully aware of the economics and the mechanical complexities of this proposed unit before you join.

Yours truly,



Paul G. White  
Vice President-Production

PGW/gb

cc: All Working Interests  
NMOCC - Hobbs  
NMOCC - Santa Fe

ADDRESSEE LIST

J.R. Cone  
Attn: Mr. John Byers  
Box 6308  
Lubbock, Texas 79400

Continental Oil  
Box 1959  
Midland Savings Bldg.  
Midland, Texas 79701

Eastland Oil Company  
704 Western United Life Bldg.  
Midland, Texas 79701

Getty Oil Co.  
8th Floor  
Midland National Bank Tower  
Box 1231  
Midland, Texas 79701

Gulf Energy & Minerals Co.-U.S.  
P.O. Box 1150  
Midland, Texas 79701

Hondo Drilling Co.  
c/o Tom Sivley  
Booker Building  
Artesia, New Mexico 88210

Imperial American  
215 Mid-America Bldg.  
Midland, Texas 79701

Barbara Jernigan  
1007 Green Acres Dr.  
Hobbs, New Mexico 88240

Mobil Oil Corporation  
Box 633  
Wall Towers West  
Midland, Texas 79701

Moranco  
John F. Moran(Trust)  
P.O. Box 1860  
Hobbs, New Mexico 88240

Moranco  
Robert M. Moran  
Box 1860  
Hobbs, New Mexico 88240

Shell Oil Co.  
P.O. Box 1509  
Midland, Texas 79701

Texaco, Inc.  
Box 3109  
Midland, Texas 79701

Young Oil Corporation  
103 Wall Towers East  
Midland, Texas 79701

Aztec Oil & Gas Co.  
2000 1st. Nat'l. Bank Bldg.  
Dallas, Texas 75202

Chevron Oil Co.  
8th Floor Wall Towers East Bldg.  
Midland, Texas 79701

Amoco Production Co.  
P.O. Box 3092  
Houston, Texas 77001

John Hendrix  
Box 9A  
Eunice, New Mexico 88231

Young Oil Corp.  
Wall Towers East  
Midland, Texas 79701

Kirby Exploration Co.  
P.O. Box 1745  
Houston, Texas 77001

George Donnelly  
3105 Shell  
Midland, Texas 79701

Richard Donnelly  
5 Winchester Court  
Midland, Texas 79701

J. Harvey Herd  
Wilco Building  
Midland, Texas 79701



J. M. Brown  
Division Engineering  
Manager

Amoco Production Company

500 Jefferson Building  
P.O. Box 8092  
Houston, Texas 77001

JUL 18 1977

OIL CONSERVATION COMM.  
Santa Fe

July 14, 1977

File: BAL-416-3111

Re: Proposed E. Blinbry and E. Drinkard Units  
Lea County, New Mexico

*Case File  
RJH*

Oil Conservation Commission  
State of New Mexico  
310 Old Santa Fe Trail  
Santa Fe, NM 87501

Gentlemen:

The application of Atlantic Richfield Company for statutory unitization and waterflooding of the E. Blinbry and E. Drinkard Areas, Lea County, New Mexico, has been designated as Cases 5997 through 6000 on the hearing docket for July 20, 1977.

This will advise that Amoco Production Company has signed the Unit Agreements and the Unit Operating Agreements for these projects. Amoco supports the application of Atlantic Richfield Company for statutory unitization and joins in urging approval by the Commission for this pending waterflood operation to achieve additional secondary oil recovery.

Yours very truly,

*J M Brown*

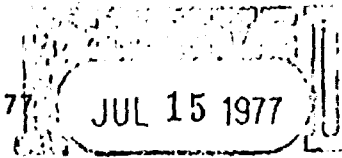
ROC/paj  
4/670

cc: Mr. J. L. Wood  
Atlantic Richfield Company  
P. O. Box 1610  
Midland, TX 79701



**Chevron U.S.A. Inc.**  
P.O. Box 599, Denver, CO 80201

July 12, 1977



OIL CONSERVATION COMM  
Santa Fe

New Mexico Oil Conservation Commission  
P. O. Box 2088  
State Land Office Bldg.  
Santa Fe, NM 87501

Attention Mr. Richard L. Stamets

Gentlemen:

Chevron U.S.A. Inc. supports Atlantic Richfield Company in the proposals to be presented in Case Nos. 5997, 5998, 5999 and 6000 scheduled for July 20, 1977.

Atlantic Richfield Company will propose the formation of the East Drinkard Unit area and the East Blinebry Unit area and the initiation of waterflood projects thereon. Chevron U.S.A. Inc. will be a working interest owner in the proposed units.

Yours very truly,

G. M. Emerick  
Senior Staff Engineer-Proration

GME:jl

cc: Mr. E. E. Hagan

LAW OFFICES

HINKLE, COX, EATON, COFFIELD & HENSLEY

600 HINKLE BUILDING

Post Office Box 10

ROSWELL, NEW MEXICO 88201

W. E. BONDURANT, JR. (94-1973)

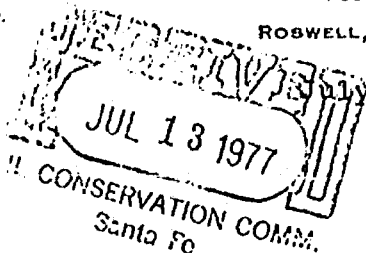
TELEPHONE (505) 622-0510

MR. ISBELL LICENSED  
IN TEXAS ONLY

MIDLAND, TEXAS OFFICE  
521 MIDLAND TOWER  
(915) 683-4891

CLARENCE E. HINKLE  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
STUART D. SHANOR  
C. D. MARTIN  
PAUL J. KELLY, JR.

JAMES H. BOZARTH  
JAMES H. ISBELL  
DOUGLAS L. LUNSFORD  
PAUL M. BOHANNON  
J. DOUGLAS FOSTER



July 12, 1977

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

*File*

Re: Cases 5997, 5998, 5999, 6000  
Examiner's docket July 20

Gentlemen:

Our client, Atlantic Richfield Company, has requested that we ask for a continuance of the above cases which are on the examiner's docket for July 20 to the second examiner's hearing in September, which I assume will be on the 21st.

The reason for the continuance is that additional time is needed within which to get some of the parties to consent to or ratify the unit agreements.

You may consider this as a motion for continuance of the above cases to the above mentioned date.

Cases 5997 and 5999 are for approval of unit agreements for the East Drinkard and East Blinberry Units. These applications were made under the provisions of the Statutory Unitization Act and we note in the publication the Act was not referred to. We do not know whether it is necessary to refer to the fact that these applications are made under this act but call your attention to this so that if you consider it material in the re-publication as to the continued date this may be included.

Yours very truly,

HINKLE, COX, EATON, COFFIELD & HENSLEY

BY *Clarence Hinkle*

CEH:cs

cc: Mr. Duncan Holt  
cc: Mr. R. E. Powers  
cc: Mr. Bob Malaise  
cc: M.. Bill Coleman

- CASE 5989: Application of Continental Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marshall Well No. 8 to be located 2600 feet from the South line and 1230 feet from the West line of Section 19, Township 23 South, Range 33 East, Cruz-Delaware Pool, Lea County, New Mexico.
- CASE 5990: Application of Continental Oil Company for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its AXI Apache "D" Well No. 5 to be located 2310 feet from the North line and 990 feet from the West line of Section 19, Township 24 North, Range 4 West, Ballard-Pictured Cliffs Pool, Rio Arriba County, New Mexico.
- CASE 5991: Application of Continental Oil Company for capacity allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a capacity allowable for its Pearl "B" Well No. 4 located 330 feet from the South line and 2310 feet from the West line of Section 25, Township 17 South, Range 32 East, Maljarar Grayburg-San Andres Pool, Lea County, New Mexico.
- CASE 5992: Application of Burleson & Huff for compulsory pooling and a non-standard unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 NW/4 of Section 14, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to form a non-standard 40-acre gas proration unit to be dedicated to applicant's Cooper Well No. 1 located in Unit F of said Section 14, or in the alternative to drill another well at a standard location thereon. Also to be considered will be the cost of recompletion or of drilling and completing the unit well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in recompleting or drilling said well.
- CASE 5993: Application of Lively Exploration Company for an exception to the provisions of Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-5459 to exclude its Chacra Well No. 7Y in Unit E of Section 35, Township 30 North, Range 8 West, San Juan County, New Mexico, from the vertical limits of the Blanco-Mesaverde Pool as defined by said order.
- CASE 5994: Application of Tenneco Oil Company for an exception to the provisions of Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-5459 to exclude its Florence Well No. 29-A in Unit F of Section 25, and its Northeast Blanco Unit Well No. 64 in Unit P of Section 24, both in Township 30 North, Range 8 West, San Juan County, New Mexico, from the vertical limits of the Blanco-Mesaverde Pool.
- CASE 5995: Application of Tenneco Oil Company for dual completions and waterflood expansions, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its South Hespah-Upper Sand and -Lower Sand Waterflood Projects by dually completing its Hespah Unit Wells Nos. 58 and 59, located in Units F and G, respectively, of Section 12, Township 17 North, Range 9 West, McKinley County, New Mexico, in such a manner as to permit water injection into each of said zones thru parallel strings of tubing.
- CASE 5996: Application of Petroleum Corporation of Texas for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation through the perforated interval from 6352 feet to 6877 feet in its Dexter Federal Well No. 3 located in Unit I of Section 22, Township 17 South, Range 30 East, Jackson Abo Pool, Eddy County, New Mexico.
- CASE 5997: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its East Drinkard Unit Area comprising 3080 acres, more or less, of Federal and fee lands in Sections 11, 12, 13, 14, 23 and 24, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 5998: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Drinkard Unit Area, Lea County, New Mexico, by the injection of water into the Drinkard formation through 30 wells.
- CASE 5999: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its East Blinebry Unit Area comprising 3080 acres, more or less, of Federal and fee lands in Sections 11, 12, 13, 14, 23, and 24, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 6000: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Blinebry Unit Area, Lea County, New Mexico, by the injection of water into the Blinebry formation through 38 wells.

Dockets Nos. 25-77 and 26-77 are tentatively set for hearing on August 3 and August 17, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 20, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Hutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1977, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for August, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 5982: Application of Sam H. Snoddy for directional drilling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of two 14,000-foot Morrow gas wells in Unit P of Section 25, Township 20 South, Range 32 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, one of which would be vertically drilled to a depth of 4000 feet from a surface location 660 feet from the South line and 760 feet from the East line of said Section 25, then directionally drilled in a North-Northwesterly direction and bottomed in the approximate center of the NE/4 of said Section 25, the N/2 of the section being dedicated to the well; the other well would be vertically drilled to a depth of 4000 feet from a surface location 760 feet from the South line and 660 feet from the East line of said Section 25, then directionally drilled in a West-Northwesterly direction and bottomed in the approximate center of the SW/4 of said Section 25, which would be a 160-acre non-standard unit for said well.

CASE 5983: Application of Yates Petroleum Corporation for the amendment of Order No. R-5445, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5445 to provide for a 200 percent risk factor for drilling the unit well rather than 20 percent. Said order pooled the N/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.

CASE 5984: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in and underlying the N/2 of Section 20, Township 18 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5985: Application of Orla Petco, Inc., for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its B. K. Morrison Well No. 1 to be located 1980 feet from the South line and 660 feet from the West line of Section 5, Township 19 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 5 to be dedicated to the well.

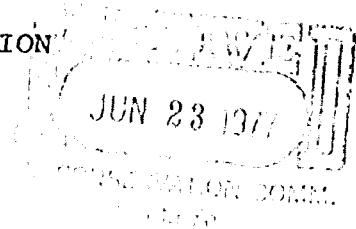
CASE 5986: Application of J. Gregory Merriam for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Devils Fork-Gallup and Mesaverde production in the wellbore of his Edna Well No. 2 located in Unit O of Section 7, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

CASE 5987: Application of Getty Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup, Mesaverde, and Dakota production in the wellbore of its C. W. Roberts Well No. 5, located in Unit F of Section 17, Township 25 North, Range 3 West, Rio Arriba County, New Mexico. Applicant also seeks approval for the reopening of its C. W. Roberts Wells Nos. 3 and 4 and its Lydia Rentz Well No. 4 to commingle Dakota, Mesaverde, and possibly Gallup production within the wellbores of the above-described wells located in Units O, M, and A of Sections 18, 17, and 19, respectively, of the same township.

CASE 5988: Application of Continental Oil Company for three unorthodox locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2-A of the Blanco-Mesaverde Gas Pool Rules, to permit the drilling of its AXI Apache "N" Wells Nos. 12 and 14 in the NW/4 of Sections 11 and 1, respectively, and its AXI Apache "O" Well No. 10 in the SE/4 of Section 3, all in Township 25 North, Range 4 West, Rio Arriba County, New Mexico. Each of said wells is the first Mesaverde well on its proration unit.

## BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO



APPLICATION OF ATLANTIC RICHFIELD COMPANY  
FOR APPROVAL OF A WATERFLOOD PROJECT IN  
CONNECTION WITH THE PROPOSED UNIT AGREE-  
MENT FOR THE DEVELOPMENT AND OPERATION OF  
THE EAST DRINKARD UNIT AREA EMBRACING  
3,080 ACRES IN TOWNSHIP 21 SOUTH, RANGE  
37 EAST, LEA COUNTY. APPLICANT PROPOSES  
TO INJECT WATER INTO THE DRINKARD FORMATION  
WHICH IS TO BE UNITIZED UNDER SAID UNIT  
AGREEMENT THROUGH 30 INJECTION WELLS  
LOCATED WITHIN THE UNIT AREA. APPLICANT  
ALSO SEEKS ESTABLISHMENT OF A PROJECT  
ALLOWABLE AND AN ADMINISTRATIVE PROCEDURE  
WHEREBY THE LOCATION OF THE INJECTION WELLS  
MAY BE CHANGED.

---

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Comes Atlantic Richfield Company acting by and through the undersigned attorneys and hereby makes application for approval of a waterflood project in connection with the proposed unit agreement for the development and operation of the East Drinkard Unit Area embracing 3,080 acres in Township 21 South, Range 37 East, Lea County. Applicant proposes to inject water into the Drinkard formation which is to be unitized under said unit agreement through 30 injection wells located within the unit area. Applicant also seeks establishment of a project allowable and an administrative procedure whereby the location of the injection wells may be changed; and in support thereof respectfully shows:

1. Applicant is in the process of forming a unit agreement for the operation and development of the East Drinkard Unit Area and application has been made to the Oil Conservation Commission for approval of said unit simultaneously herewith. The proposed unit agreement embraces the following described lands situated in Lea County:

Township 21 South, Range 37 East, N.M.P.M.

Section 11 - All  
Section 12 -  $W\frac{1}{2}E\frac{1}{2}$ ,  $W\frac{1}{2}$   
Section 13 -  $W\frac{1}{2}NE\frac{1}{4}$ ,  $NW\frac{1}{4}SE\frac{1}{4}$ ,  $W\frac{1}{2}$   
Section 14 - All  
Section 23 - All  
Section 24 -  $NW\frac{1}{4}$ ,  $W\frac{1}{2}SW\frac{1}{4}$

2. It is contemplated that applicant will be the unit operator under the terms of the unit agreement and the primary objective of the unit will be to formulate and put into effect a secondary recovery project in order to effect additional recovery of unitized substances, prevent waste and conserve natural resources consistent with good engineering practices.

3. There is attached hereto as Exhibit 1 a plat showing the outlines of the proposed unit area, the location of all wells producing from the proposed unitized formation within the unit area and all other wells within a radius of two miles thereof, and the formations from which the same are producing. This exhibit also indicates the ownership of the respective leases.

All of the wells within the unit area have reached an advanced stage of depletion and are regarded as what is commonly known as "stripper" wells.

4. There is also filed herewith as Exhibit 2 a plat showing the location of the proposed injection wells. Also attached as Exhibit 3 is a list of the names and locations of the proposed injection wells. All of these wells are producing wells which will be converted to injection wells.

5. There is also filed herewith copies of electrical logs of all the wells which are to be converted to injection wells. Also filed herewith are diagrammatic sketches of each proposed injection well showing all casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open hole intervals, tubing strings, including diameters and setting depths, and the type and location of packers.

6. Applicant proposes to inject water into the unitized formation through the injection wells. Water will be obtained through the drilling of water wells in the vicinity of the unit area to the San Andres formation. It is anticipated that by the time of the hearing on this application, applicant will be able to anticipate the timing for the injection of water into the various injection wells and the anticipated volumes of water which will be injected.

7. Applicant is filing simultaneously herewith application for approval of the East Blinbry Unit, the unit area of which is identical with the proposed unit area for the East Drinkard Unit. There is also being filed simultaneously an application for waterflood project for the East Blinbry Unit Area. Applicant will also be the operator of the East Blinbry Unit and water flood project in connection therewith and it is proposed that the two units and the two waterflood projects be operated simultaneously and that the production from the two units

be commingled either in common well bores or surface facilities and for the purpose of allocating working interest and royalty interest production all production from the two units will be allocated and credited as if 64.544% of the production had been produced from the East Blinebry Unit and 35.456% had been produced from the East Drinkard Unit.

8. There is attached hereto as Exhibit 4 a list of the ownership of all acreage outside the unit area which offsets injection wells.

9. Applicant also seeks the establishment of a project allowable in accordance with the provisions of Rule 701 of the Commission and also the establishment of an administrative procedure for any changes which may prove necessary in connection with the injection wells.

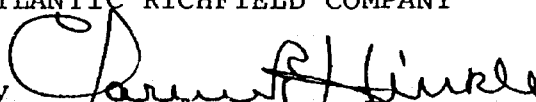
10. It is anticipated that approximately 5,850,000 barrels of secondary oil will be recovered from the Blinebry formation and approximately 3,150,000 barrels of secondary oil from the Drinkard formation, or a total of 9,000,000 barrels of secondary oil which would not otherwise be recovered.

11. Applicant requests that this matter be heard before an examiner at the hearing on July 20, 1977.

Respectfully submitted,

ATLANTIC RICHFIELD COMPANY

By



HINKLE, COX, EATON, COFFIELD & HENSLEY  
P.O. Box 10  
Roswell, New Mexico 88201

PROPOSED INJECTION WELLS  
EAST BLINEBRY & EAST DRINKARD UNIT  
Lea County, New Mexico

<u>OPERATOR</u> <u>LEASE</u>	<u>WELL</u> <u>NO.</u>	<u>LOCATION</u>
<u>A. Dual Completion Blinebry &amp; Drinkard Injectors</u>		
<u>Atlantic Richfield Company</u>		
Roy Barton	4	1750' FNL & 1980' FEL Sec. 23, T-21S, R-37E
S. J. Sarkeys	2	330' FSL & 2310' FEL Sec. 23, T-21S, R-37E
S. J. Sarkeys	3	2310' FSL & 330' FEL Sec. 23, T-21S, R-37E
<u>J. R. Cone</u>		
Eubanks	1	660' FSL & 660' FWL Sec. 14, T-21S, R-37E
Eubanks	3	1980' FSL & 1830' FWL Sec. 14, T-21S, R-37E
<u>Continental Oil Company</u>		
Lockhart B-11	3	1980' FNL & 330' FWL Sec. 11, T-21S, R-37E
Lockhart B-11	4	330' FNL & 1650' FWL Sec. 11, T-21S, R-37E
Lockhart B-11	6	330' FNL & 330' FEL Sec. 11, T-21S, R-37E
Lockhart B-11	8	1980' FEL & 660' FSL Sec. 11, T-21S, R-37E
Lockhart B-11	11	330' FEL & 1980' FSL Sec. 11, T-21S, R-37E
Lockhart B-11	17	1980' FNL & 1980' FEL Sec. 11, T-21S, R-37E
J. H. Nolan	1	660' FSL & 660' FWL Sec. 11, T-21S, R-37E
J. H. Nolan	3	1980' FSL & 1980' FWL Sec. 11, T-21S, R-37E
Lockhart B-12	4	1650' FNL & 660' FWL Sec. 12, T-21S, R-37E
Lockhart B-13-A	1	660' FSL & 660' FWL Sec. 13, T-21S, R-37E
Lockhart B-13-A	2	1980' FNL & 660' FWL Sec. 13, T-21S, R-37E
Lockhart B-14-A	3	660' FNL & 330' FEL Sec. 14, T-21S, R-37E
Lockhart B-14-A	4	1980' FSL & 330' FEL Sec. 14, T-21S, R-37E
<u>Getty Oil Company</u>		
D. A. Williamson	2	1980' FNL & 660' FWL Sec. 23, T-21S, R-37E
D. A. Williamson	4	660' FNL & 1980' FWL Sec. 23, T-21S, R-37E
<u>Gulf Oil Corporation</u>		
Naomi Keenum	2	660' FSL & 1980' FEL Sec. 14, T-21S, R-37E
Nancy Stephens	2	1980' FNL & 660' FWL Sec. 24, T-21S, R-37E
Nancy Stephens	3	660' FNL & 1980' FWL Sec. 24, T-21S, R-37E
<u>Mobil Oil Corporation</u>		
Stephens Estate	2	660' FSL & 660' FWL Sec. 24, T-21S, R-37E
Williamson	1	660' FNL & 660' FEL Sec. 23, T-21S, R-37E

Case 5998

PROPOSED INJECTION WELLS  
EAST BLINEBRY & EAST DRINKARD UNITS  
Lea County, New Mexico  
Page 2

<u>OPERATOR</u> <u>LEASE</u>	<u>WELL</u> <u>NO.</u>	<u>LOCATION</u>
<u>Moranco</u>		
Owen	1	1980' FNL & 660' FWL Sec. 14, T-21S, R-37E
<u>Shell Oil Company</u>		
Andrews	2	990' FNL & 1980' FWL Sec. 14, T-21S, R-37E
Sarkeys	1	660' FSL & 660' FWL Sec. 23, T-21S, R-37E
Sarkeys	2	1980' FSL & 1980' FWL Sec. 23, T-21S, R-37E
Smith	1	1980' FNL & 1980' FEL Sec. 14, T-21S, R-37E

OFFSET OPERATORS  
PROPOSED EAST BLINEBRY UNIT & EAST DRINKARD UNIT  
Lea County, New Mexico

Aztec Oil & Gas Company  
P. O. Box 837  
Hobbs, New Mexico 88240

Continental Oil Company  
P. O. Box 460  
Hobbs, New Mexico 88240

Exxon Corporation  
P. O. Box 1600  
Midland, Texas 79702

Getty Oil Company  
P. O. Box 1231  
Midland, Texas 79702

Shell Oil Company  
Mid Continent Prod. Div.  
P. O. Box 991  
Houston, Texas 77001

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

Gulf Oil Corporation  
Joint Operations Mgr.  
P. O. Box 1150  
Midland, Texas 79702

Acoma Oil Corporation  
812 Continental Life Bldg.  
Fort Worth, Texas 76102

Texas Pacific Oil Company, Inc.  
1700 One Main Place  
Dallas, Texas 75250

Imperial American Management Company  
1041 Main Bldg.  
Houston, Texas 77002

Mobil Oil Corporation  
Attn: Joint Interest Administrator  
Three Greenwood Plaza East  
Houston, Texas 77046

Elliot Oil Company  
P. O. Box 1355  
Roswell, New Mexico 88201

Tenneco Oil Company  
P. O. Box 2511  
Houston, Texas 77001

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. 5998

Order No. R- 5992

5592

APPLICATION OF Atlantic Richfield Company  
FOR A WATERFLOOD PROJECT, Lea  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 20  
19 27, at Santa Fe, New Mexico, before Examiner, the  
Commission.

NOW, on this December day of 19 27, 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, Atlantic Richfield Company,  
seeks authority to institute a waterflood project on its  
East ~~Brinkard~~ Unit lease, ~~Brinkard~~ Drinkard  
Pool, by the injection of water into the ~~Brinkard~~ Drinkard  
formation through 3038 injection wells in Sections 11, 12, 13, 14, 23, and 24,  
Township 21, Range 37, NMPM, Lea  
County, New Mexico.

(3) That the wells in the project area are in an advanced  
state of depletion and should properly be classified as  
"stripper" wells.

(4) That the proposed waterflood project should result  
in the recovery of otherwise unrecoverable oil, thereby preventing  
waste.

(5) That the evidence presented indicates that the following wells may not be adequately cemented so as to contain injection water in the Blinebry Formation.

OPERATOR	LEASE NAME	WELL NO.	UNIT	SECTION	TOWNSHIP	RANGE
Shell Oil Co.	Fields	1	O	12	21S	37E
Shell Oil Co.	Smith	1	G	14	21S	37E
Atlantic Rich. Co.	Sarkeys	3	I	23	21S	37E
Imperial American Management Co.	Bunin	3Y	A	13	21S	37E
Tenneco Oil Co.	Elliott Fed.	1	T	1	21S	37E
Continental Oil Co.	Hawk "B-3"	7	Q	3	21S	37E
Continental Oil Co.	Hawk "B-3"	1	X	3	21S	37E
Exxon	State "V"	6	J	10	21S	37E
Aztec Oil & Gas	Dauron	3	A	10	21S	37E
Gulf Oil Corp.	Eubank	8	G	22	21S	37E

(6) That the annular space between the casing and hole in the wells described in Finding (5) above could serve as an avenue of water migration from the Blinebry zone to other zones or to the surface.

(7) That to prevent such migration of water from the Blinebry zone, cement bond logs should be run on the wells in Finding (5) above, and recement any such well not adequately cemented across and above the Blinebry zone.

(8) That the wells within the project should be equipped to facilitate periodic testing of the annular space between strings of casings.

(9) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

Case No. 6000

Order No. R-5992  
5592

7 (10) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to institute a waterflood project on its East ~~Blinery~~ <sup>Drinkard</sup> Unit, ~~Blinery Oil and Gas Pool~~ <sup>Drinkard Pool</sup>, by the injection of water into the ~~Blinery~~ <sup>Drinkard</sup> formation through the following-described wells in Sections 11, 12, 13, 14, 23, and 24, all in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico:

<u>OPERATOR</u>	<u>WELL</u>	<u>LOCATION</u>
<u>LEASE</u>	<u>NO.</u>	
<del>A. Deal Completion Blinery &amp; Drinkard Injectors</del>		
<u>Atlantic Richfield Company</u>		
Roy Barton	4	1750' FNL & 1980' FEL, Sec. 23
S. J. Sarkeys	2	330' FSL & 2310' FEL, Sec. 23
S. J. Sarkeys	3	2310' FSL & 330' FEL, Sec. 23
<u>J. R. Cone</u>		
Eubanks	1	660' FSL & 660' FWL, Sec. 14
Eubanks	3	1980' FSL & 1830' FWL, Sec. 14
<u>Continental Oil Company</u>		
Lockhart B-11	3	1980' FNL & 330' FWL, Sec. 11
Lockhart B-11	4	330' FNL & 1650' FWL, Sec. 11
Lockhart B-11	6	330' FNL & 330' FEL, Sec. 11
Lockhart B-11	8	660' FSL & 1980' FEL, Sec. 11
Lockhart B-11	11	1980' FSL & 330' FEL, Sec. 11
Lockhart B-11	17	1980' FNL & 1980' FEL, Sec. 11
J. H. Nolan	1	660' FSL & 660' FWL, Sec. 11
J. H. Nolan	3	1980' FSL & 1980' FWL, Sec. 11
Lockhart B-12	4	1650' FNL & 660' FWL, Sec. 12
Lockhart B-13-A	1	660' FSL & 660' FWL, Sec. 13
Lockhart B-13-A	2	1980' FNL & 660' FWL, Sec. 13
Lockhart B-14-A	3	660' FNL & 330' FEL, Sec. 14
Lockhart B-14-A	4	1980' FSL & 330' FEL, Sec. 14
<u>Getty Oil Company</u>		
D. A. Williamson	2	1980' FNL & 660' FWL, Sec. 23
D. A. Williamson	4	660' FNL & 1980' FWL, Sec. 23

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Gulf Oil Corporation

Naomi Keenum	5	2	660' FSL & 1980' FEL, Sec. 14
Nancy Stephens	11	2	1980' FNL & 660' FWL, Sec. 24
Nancy Stephens	20	3	660' FNL & 1980' FWL, Sec. 24

Mobil Oil Corporation

Stephens Estate	77	2	660' FSL & 660' FWL, Sec. 24
Williamson	58	1	660' FNL & 660' FEL, Sec. 23

Moranco

Owen	39	1	1980' FNL & 660' FWL, Sec. 14
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Shell Oil Company

Andrews	24	2	990' FNL & 1980' FWL, Sec. 14
Sarkeys	13	1	660' FSL & 660' FWL, Sec. 23
Sarkeys	21	2	1980' FSL & 1980' FWL, Sec. 23
Smith	38	1	1980' FNL & 1980' FEL, Sec. 14

B. Single Completion Blinbry Injectors

Continental Oil Company

Lockhart B-12	2	6	330' FNL & 1980' FWL, Sec. 12
Lockhart B-12	14	9	1980' FNL & 2310' FEL, Sec. 12
Lockhart B-13-A	44	4	1980' FSL & 1980' FWL, Sec. 13
Lockhart B-13-A	42	6	1980' FNL & 1980' FEL, Sec. 13

Shell Oil Company

Chesher	16	1	1980' FSL & 1980' FWL, Sec. 12
Chesher	12	2	660' FSL & 660' FWL, Sec. 12
Fields	28	1	660' FSL & 2310' FEL, Sec. 12

Summit Energy, Inc.

Gulf Bunin	2	660' FNL & 1650' FWL, Sec. 13
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(2) That injection into each of said wells should be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be tested for leaks, be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device, and that the injection wells or system shall be equipped in such a manner as to limit wellhead <sup>injection</sup> pressure to no more than <sup>1300</sup> ~~1140~~ psi.

(3) That the Secretary-Director of the Commission may administratively authorize a pressure limitation in excess of <sup>1300</sup> ~~1140~~ psi

6500  
13000

upon a showing by the operator that such higher pressure will not result in fracturing of the confining strata.

(4) That the wells within the project area shall be equipped with risers or in another acceptable manner such as to facilitate the periodic testing of the bradenhead for pressure or fluid production.

~~(5) That before the Shell Oil Company, Fields Well No. 1 in Unit O fx of Section 12, Shell Oil Company, Smith Well No. 1 in Unit G of Section 14, and Atlantic Richfield Company, Sarkeys Well No. 3 in Unit I of Section 23, all in Township 21 South, Range 37 East, may be converted to injection, the operator shall cause cement bond logs to be run on such wells and shall further cause any such well found to be inadequately cemented across and above the Blinebry zone to be recemented there through.~~

(6) That within 6 months after initiation of injection within the project the operators of the following wells shall cause cement bond logs to be run in the wells and shall further cause any such well found to be inadequately cemented through the Blinebry zone to be recemented therethrough:

OPERATOR	LEASE NAME	WELL NO.	UNIT	SECTION	TOWNSHIP	RANGE
Imperial American Management Co.	Burin	3Y	A	13	21S	37E
Tenneco Oil Co.	Elliott Fed.	1	T	1	21S	37E
Continental Oil Co.	Hawk "B-3"	7	Q	3	21S	37E
Continental Oil Co.	Hawk "B-3"	1	X	3	21S	37E
Exxon	State "V"	6	J	10	21S	37E
Aztec Oil & Gas	Dauron	3	A	10	21S	37E
Gulf Oil Corp.	Eubank	8	G	22	21S	37E

(7) That the operators shall notify the Commission's Hobbs district office of the date and time of operations required by Order (5) and (6) of this Order so that the Commission may at its

~~option witness such operations.~~

<sup>5</sup>  
(2) That the operator <sup>of the project, or of any affected nearby property,</sup> shall immediately notify the super-

visor of the Commission's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, the leakage of water or oil from any plugged and abandoned well within the project area or any other evidence of fluid migration from the injection zone, and shall take such timely steps as may be necessary or required to correct such failure or leakage.

<sup>6</sup>  
(3) That the subject waterflood project is hereby designated the Atlantic Richfield East <sup>Drifted</sup> ~~Blind~~ Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

<sup>7</sup>  
(10) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and <sup>1115</sup> ~~1120~~ of the Commission Rules and Regulations.

<sup>8</sup>  
(11) 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.

~~which are applicable at this time.~~  
~~\* Rule 1115, will be applicable before injection starts.~~

ROUGH

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION COMMISSION

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

CASE NO. 5998

Order No. R-5592-B

*APPLICATION OF ATLANTIC RICHFIELD  
COMPANY FOR A WATER FLOOD  
PROJECT, LEA COUNTY, NEW MEXICO.*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for <sup>re</sup>hearing at 9 a.m.  
on February 21, 19<sup>78</sup>~~80~~, at Santa Fe, New Mexico,  
before the Oil Conservation Commission of New Mexico, hereinafter  
referred to as the "Commission."

NOW, on this \_\_\_\_\_ day of August, 1980, the  
Commission, a quorum being present, having considered the  
testimony presented and the exhibits received at said hearing,  
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.

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 5998 is hereby dismissed.

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

