

CASE 6296: TEXACO INC. FOR AN UNORTHO-
DOX LOCATION AND SIMULTANEOUS DEDICATION
LEA COUNTY, NEW MEXICO

CASE NO.

62 96

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6296
Order No. R-1475-A

APPLICATION OF TEXACO INC. FOR AN
UNORTHODOX LOCATION AND SIMULTANEOUS
DEDICATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 16, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of September, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Texaco Inc., seeks approval of an unorthodox gas well location for its A. H. Blinebry Fed. (NCT-4) Well No. 3 located 700 feet from the South line and 2100 feet from the East line of Section 31, Township 22 South, Range 38 East, NMPM, Tubb Gas Pool, Lea County, New Mexico.
- (3) That the S/2 S/2 of said Section 31, a previously approved non-standard proration unit, is to be simultaneously dedicated to the aforesaid well and to applicant's A. H. Blinebry Fed. (NCT-4) Well No. 1 located in Unit F of said Section 31.
- (4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.
- (5) That no offset operator objected to the proposed unorthodox location.

-2-

Case No. 6296

Order No. R-1475-A

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Tubb Gas Pool is hereby approved for the Texaco Inc. A. H. Blinbry Fed. (NCT-4) Well No. 3 located at a point 700 feet from the South line and 2100 feet from the East line of Section 31, Township 22 South, Range 38 East, NMPM, Tubb Gas Pool, Lea County, New Mexico.

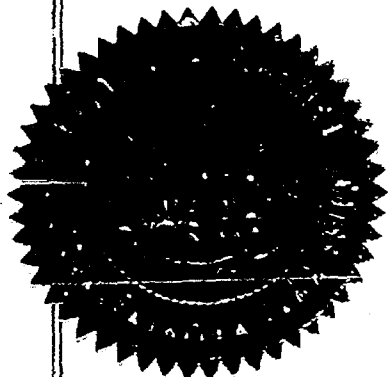
(2) That the S/2 S/2 of said Section 31 shall be simultaneously dedicated to the above-described well and to applicant's A. H. Blinbry Fed. (NCT-4) Well No. 1 located in Unit P of said Section 31.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director



fd/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
16 August 1978

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc. for an) CASE
unorthodox location and simultaneous) 6296
dedication, Lea County, New Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

Lynn Teschendorf, Esq.
Legal Counsel for the Division
State Land Office Building
Santa Fe, New Mexico 87501

For Texaco, Inc.:

William Booker Kelly, Esq.
WHITE, KOCH, KELLY & MCCARTHY
220 Otero Street
Santa Fe, New Mexico 87501

I N D E X

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SAMUEL SMALL

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Direct Examination by Mr. Kelly

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Cross Examination by Mr. Stamets

E X H I B I T S

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Texaco Exhibit One, Plat

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (504) 988-3404
Santa Fe, New Mexico 87507

1 MR. STAMETS: Call next Case 6296.

2 MS. TESCHENDORF: Case 6296. Application of
3 Texaco, Inc. for an unorthodox location and simultaneous
4 dedication, Lea County, New Mexico.

5 MR. STAMETS: Call for appearances in this
6 case.

7 MR. KELLY: Booker Kelly of White, Koch, Kelly,
8 and McCarthy, on behalf of the Applicant, and I have one
9 witness.

10 MR. STAMETS: Stand and be sworn, please.

11 (Witness sworn.)

12
13 SAMUEL SMALL

14 being called as a witness and having been duly sworn upon
15 his oath, testified as follows, to-wit:

16
17 DIRECT EXAMINATION

18 BY MR. KELLY:

19 Q Mr. Small, would you state your full name for
20 the record and by whom employed and in what capacity?

21 A Samuel Small, employed by Texaco, Incorporated,
22 as a petroleum engineer.

23 Q And where are you located?

24 A Hobbs, New Mexico.

25 Q Have you previously qualified as an expert in

SALLY WALTON BOYD

CERTIFIED SHORTHAND REPORTER

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Santa Fe, New Mexico 87501

Page 4

1 the field of petroleum engineering before this Commission?

2 A. Yes, sir, I have.

3 MR. KELLY: Are the witness' qualifications
4 acceptable, Mr. Examiner?

5 MR. STAMETS: They are.

6 Q. (Mr. Kelly continuing.) Referring to what has
7 been marked Texaco's Exhibit One, would you state briefly
8 what Texaco seeks by this application?

9 A. Texaco is seeking approval of a nonstandard
10 location for the A. H. Blinebry Federal, Tract 4, Well No.
11 3, to produce from the Tubb gas pool and to simultaneously
12 dedicate a tract for Well No. 3 and a tract for Well No. 1
13 to the 160 acres.

14 Q. All right, now what is the present well that is
15 dedicated to that acreage?

16 A. Presently Well No. 1 is dedicated.

17 Q. And what is the present status of that well?

18 A. Both wells are shutin. No. 1 is a dual Blinebry-
19 Tubb completion.

20 Q. Well, could you give the Examiner a history of
21 what happened with that well which causes this application?

22 A. Well No. 1 had previously been a triple completion
23 in the Blinebry-Drinkard-Tubb zones. We chose to go in to
24 work-over the Drinkard zone to perforate additional zone,
25 and at that time we thought it best if we could dually com-

1 plete the well in the Blinebry and Drinkard Zones and we
2 were going to open the Tubb Zone up in Well No. 3 to re-
3 place the Tubb Zone in Well No. 1.

4 We went into Well No. 3 and abandoned the
5 Blinebry Zone, recompleted in the Tubb gas zone. The well
6 tested for 274 Mcf of gas per day from the Tubb Zone. When
7 we went back into Well No. 1 and perforated additional
8 Drinkard Zone, the workover was unsuccessful; had no pro-
9 duction from the Drinkard Zone, so we chose to abandon the
10 Drinkard Zone in Well No. 1 and complete it in the Blinebry
11 Zone and also to recomplete it in the Tubb Zone, dually.

12 Q And what is the Mcf production at the present
13 time? I know it's shutin, but prior to its shutin of No. 3?

14 A Well ---

15 Q Well No. 1, excuse me.

16 A Well No. 1 tested for 80 Mcf of gas per day in
17 the Tubb Zone.

18 Q And what would the top allowable be for the Tubb
19 gas?

20 A The top allowable is approximately 785 Mcf per
21 day.

22 Q So both of these wells, even combined, would
23 still be substantially marginal wells.

24 A Yes, sir.

25 Q How is a gas well defined or set out in the

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CERTIFIED SHORTHAND REPORTER

730 Bishop's Lodge Road • Phone (505) 988-3401
Santa Fe, New Mexico 87501

1 Tubb Pool? What --- what is the definition of a gas well?

2 A. A gas well is defined by the gravity of the
3 fluids being greater than 42° API.

4 Q. Do you have that information for the Examiner?

5 A. No, sir, we don't. The Well No. 3 isn't suf-
6 ficiently cleaned up at present to get a good gas test,
7 gravity test on it.

8 Q. Do you expect that it will be a gas well?

9 A. Yes, sir.

10 Q. Now, what offset operators surround you, and
11 I assume they've all been notified?

12 A. Yes, sir. Gulf Oil, Amoco Production Company,
13 Union Texas Petroleum Division, Allied Chemical Corporation,
14 Southland Royalty Company, Cities Service Oil Company. We
15 sent waivers to all five companies and to date we've re-
16 ceived three of the waivers back approved.

17 MR. KELLY: Mr. Examiner, are there any other
18 waivers that the Commission has received?

19 We don't expect there would be any opposition.

20 MR. STAMETS: I have Cities Service, Southland
21 Royalty, and that's all I have in this file.

22 A. We also received one from Union of Texas. We
23 have not received from Amoco or Gulf yet.

24 Q. Do you have any reason to suspect that there
25 will be any opposition from either of those companies?

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CERTIFIED SHORTHAND REPORTER
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Santa Fe, New Mexico 87501

Page 7

1 A. No, sir.

2 Q. In your opinion will the granting of this
3 application prevent waste by allowing Texaco to produce
4 hydrocarbons and as a corollary of that, wouldn't have any
5 adverse effect on correlative rights of other operators?

6 A. It would have no adverse effect that we can see
7 on any of the offset operators and it would prevent waste,
8 yes, sir.

9 Q. Was Exhibit One prepared by you or under your
10 direction?

11 A. Yes, sir, it was.

12 MR. KELLY: I move the introduction of Texaco's
13 Exhibit One.

14 MR. STAMETS: Exhibit Number One will be
15 admitted.

16 MR. KELLY: We have nothing further on
17 direct.

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19 DIRECT EXAMINATION

20 BY MR. STAMETS:

21 Q. Mr. Small, do you know the order number that
22 authorized the nonstandard proration unit that is the sub-
23 ject of this case?

24 A. No, sir, I don't.

25 Q. Could that be supplied to the Examiner?

1 A. Yes, sir.

2 Q When will the liquids gravity be available on
3 the Well No. 3?

4 A. We would expect as soon as we can get it on
5 production and clean the well up. We'll probably be able
6 to get it within the next month or so.

7 Q Now, what would the affect be if the Tubb Zone
8 in No. 3 turned out to be an oil well?

9 A. Then we would probably have to split the acreage
10 up and dedicate 120 acres to the Tubb gas in Well No. 1 and
11 go to 40-acre oil for No. 3.

12 Q That would require another hearing?

13 A. Yes, sir.

14 MR. STAMETS: Any other questions of the witness?
15 He may be excused.

16 Anything further in this case?

17 MR. KELLY: Nothing further.

18 MR. STAMETS: Take the case under advisement.

19 (Hearing concluded.)
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21
22
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SALLY WALTON BOYD
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Santa Fe, New Mexico 87501

REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY
 CERTIFY that the foregoing and attached Transcript of
 Hearing before the Oil Conservation Division was reported
 by me; that the said transcript is a full, true, and correct
 record of the hearing, prepared by me to the best of my
 ability, knowledge, and skill, from my notes taken at the
 time of the hearing.

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

SALLY WALTON BOYD
 CERTIFIED SHORTHAND REPORTER
 730 Bishop's Lodge Road • Phone (505) 988-3404
 Santa Fe, New Mexico 87501

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 6296
 heard by me on 8/16 1978
Richard L. [Signature], Examiner
 New Mexico Oil Conservation Commission

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
State Land Office Building
Santa Fe, New Mexico
16 August 1978

EXAMINER HEARING

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Santa Fe, New Mexico 87501

I N D E X

SAMUEL SMALL

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E X H I B I T S

Texaco Exhibit One, Plat

7

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19 (Hearing concluded.)
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REPORTER'S CERTIFICATE

I, SALLY WALTON BOYD, a Court Reporter, DO HEREBY
CERTIFY that the foregoing and attached Transcript of
Hearing before the Oil Conservation Division was reported
by me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability, knowledge, and skill, from my notes taken at the
time of the hearing.

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. 6296
heard by me on 8-16, 1978.
Richard A. Egan, Examiner
New Mexico Oil Conservation Commission

SALLY WALTON BOYD
CERTIFIED SHORTHAND REPORTER
730 Bishop's Lodge Road • Phone (505) 988-3404
Santa Fe, New Mexico 87501

R-37-E

R-38-E

Summit Energy

Texaco
NTC-3

Gulf

(Pan Am
"S"
Amo

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BI
T(gas)

*
BI
T(gas)

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BI
Dr(SI)

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Dr

2
BI
Dr(abd)

Gulf-St.

Continental
"JJ"

Phillips

BI

BI

6200'

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BI
BES

*
BI (Abd)
T (Gas)

6
BI

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BI
T(gas)
Dr(abd)

*
BI
T(gas)
Dr(abd)

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6236'

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31

Southland Royalty

1-B (2)

1-BD

BI
Dr

8
BI
BES

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BES

W.F. Scarborough, Est.

Texaco
NCT-4

5
BI
BES

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Dr(abd)
BGW(abd)

2
BI
Dr

Southland Royalty

2-BD
BI(SI)

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BI
Dr

5
BI
Dr

3
BI
Dr
T(gas)

*
BI(gas)
T(gas)

3
BI

Tom Linebery (S)
State

A.H. Blinebry-Fed.

Gulf

Gulf

(Pan Am.)
Amoco

Union
Texas

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BI

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BI
Dr
T(gas)

*
BI(SI)
Dr
T(gas)

T
23
S

H.V. Pike, et al
Evelyn Linebery

"Pike"
Evelyn Linebery

"Pike"

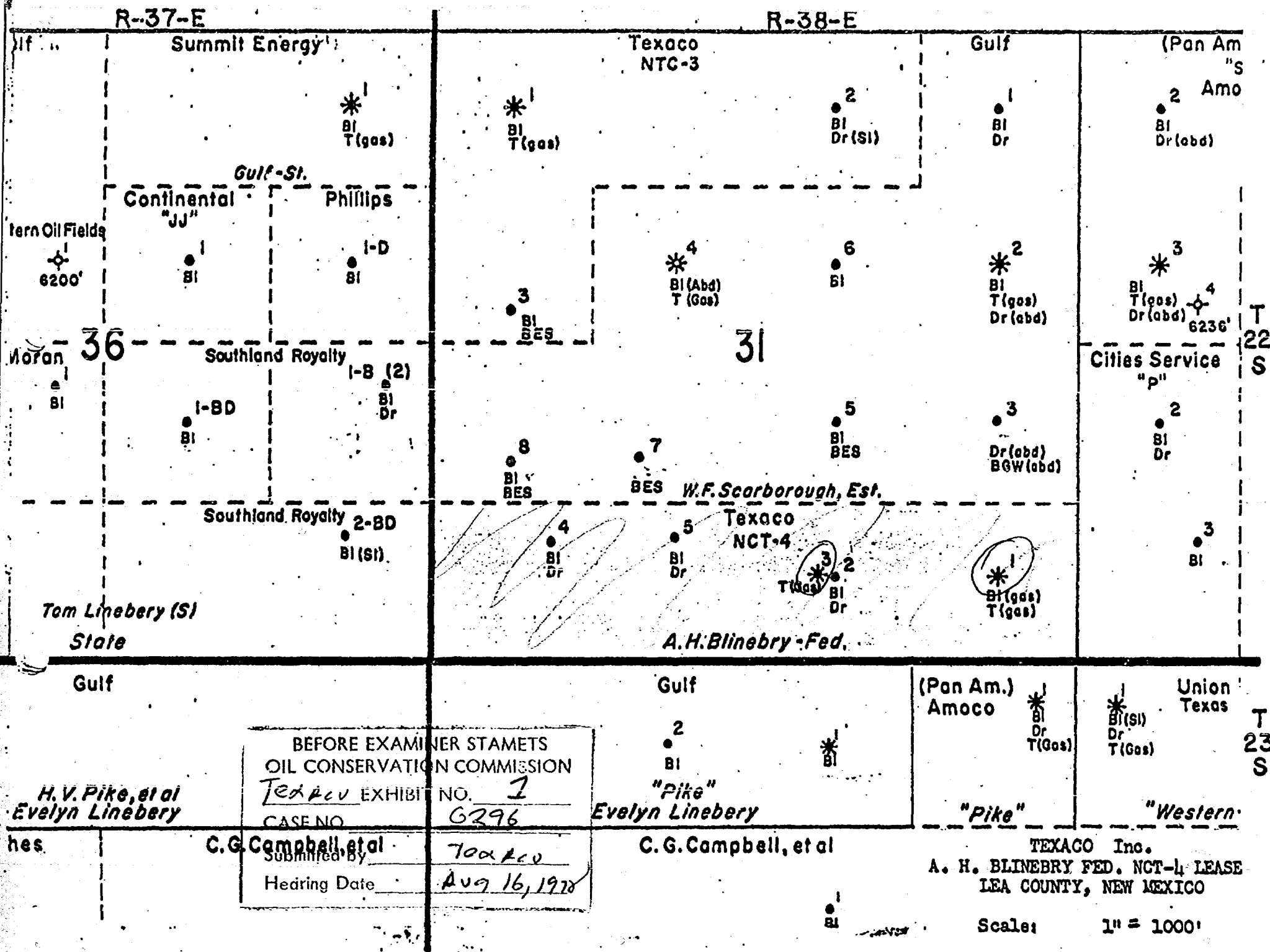
"Western"

C.G. Campbell, et al

C.G. Campbell, et al

TEXACO Inc.
A. H. BLINEBRY FED. NCT-4 LEASE
LEA COUNTY, NEW MEXICO

Scale: 1" = 1000'



CASE 6287: (Continued from August 2, 1978, Examiner Hearing)

Application of Jack A. Cole for an unorthodox gas well location, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of his Apache Flats Well No. 11, located 1712 feet from the South line and 1223 feet from the East line of Section 28, Township 23 North, Range 4 West, Ballard-Pictured Cliffs Pool, Sandoval County, New Mexico.

CASE 6295: Application of Yates Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Austin-Mississippian Gas Pool, Lea County, New Mexico, to provide for 320-acre spacing rather than 160 acres. In the absence of objection, this pool will be placed on the standard 320-acre spacing for deep gas pools.

In the alternative, the applicant seeks to limit the 160-acre spacing rules of said Austin-Mississippian Gas Pool to the present horizontal limits of the pool.

CASE 6296: Application of Texaco Inc. 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 A. H. Blinbry Fed. (NCT-4) Well No. 3 located 700 feet from the South line and 2100 feet from the East line of Section 31, Township 22 South, Range 38 East, Tubb Gas Pool, Lea County, New Mexico, the S/2 S/2 of said Section 31 to be simultaneously dedicated to the aforesaid well and to applicant's A. H. Blinbry Fed. (NCT-4) Well No. 1 located in Unit P of said Section 31.CASE 6297: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Chaves, Eddy, and Lea Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Indian Flats-Atoka Gas Pool. The discovery well is Perry R. Bass Big Eddy Unit Well No. 41 located in Unit J of Section 35, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 35: E/2

(b) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Lonesome-San Andres Pool. The discovery well is Flag-Redfern Oil Company Wilson Well No. 1 located in Unit A of Section 31, Township 8 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 31: NE/4

(c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production and designated as the Many Gates-Morrow Gas Pool. The discovery well is Amoco Production Company State DQ Well No. 1 located in Unit C of Section 32, Township 9 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 32: N/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Millman-Wolfcamp Gas Pool. The discovery well is Depco, Inc. DHY State B Well No. 1 located in Unit L of Section 11, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 11: W/2

(e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the South Shoe Bar-Morrow Gas Pool. The discovery well is HNG Oil Company Shoe Bar Ranch "3" Well No. 1 located in Unit C of Section 3, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 3: N/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Wilson-Strawn Pool. The discovery well is Dorchester Exploration, Inc. Wilson State Com Well No. 1 located in Unit I of Section 13, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 13: SE/4



PETROLEUM PRODUCTS

August 18, 1978

RECEIVED
TEXACO INC.
DRAWING 728
HOBBY NEW MEXICO 88240
AUG 21 1978

Oil Conservation Commission

NONSTANDARD LOCATION AND
SIMULTANEOUS DEDICATION

A. H. Blinebry Fed. (NCT-4) No. 3
Case No. 6296 - 8/16/78 Hearing

RL

State of New Mexico
Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

ATTENTION: MR. R. L. STAMETS

Gentlemen:

A. H. Blinebry Federal (NCT-4) Well No. 3 was originally completed as an oil well in the Blinebry Oil pool. As a result, Commission approval for a nonstandard location was not required; therefore, no Commission Order has previously been issued for the subject well.

Enclosed are Waivers of Objection for this nonstandard location and simultaneous dedication of A. H. Blinebry Federal (NCT-4) No. 3 received from Gulf Oil Corporation and Union Texas Petroleum. The waiver from Amoco Production Company has not been received as of this date.

Yours very truly,

J V Gannon gas
J. V. Gannon
District Superintendent

SWS:las

Enclosures

White, Koch, Kelly & McCarthy
P. O. Box 787
Santa Fe, New Mexico 87501

This is recycled paper

RECEIVED
AUG 21 1978
Oil Conservation Commission

WAIVER OF OBJECTION
NONSTANDARD LOCATION AND
SIMULTANEOUS DEDICATION
A. H. Blinebry Fed. (NCT-4) No. 3
Lea County, New Mexico

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

As an authorized representative of the below named offset operator, I hereby certify that I have been notified by Texaco Inc. of their application for a non-standard location for the A. H. Blinebry Fed. (NCT-4) Well No. 3 and Simultaneous Dedication with A. H. Blinebry Fed. (NCT-4) Well No. 1 to the 160-acre A. H. Blinebry Fed. (NCT-4) lease (S/2, S/2, Sec. 31, T-22-S, R-38-E) in the Tubb Gas Pool, and do hereby waive any objection to the granting of this application.

Location:

Well No. 3 - 700' FSL & 2100' FEL,
Sec. 31, T-22-S, R-38-E.

Well No. 1 - 660' FSL & 660' FEL,
Sec. 31, T-22-S, R-38-E.

Gulf Oil Corporation
OFFSET OPERATOR

By B. J. Pahkratz
B. J. Pahkratz, Manager-Engineering
Date 8-7-78

RECEIVED
AUG 21 1978

WAIVER OF OBJECTION Oil Conservation Commission
NONSTANDARD LOCATION AND
SIMULTANEOUS DEDICATION

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Union Texas Petroleum
OFFSET OPERATOR

By John A. Freeman EMB
Date July 31, 1978

WRH 8-3



PETROLEUM PRODUCTS

AUG - 8 1978

July 21, 1978

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

Case 6296

State of New Mexico
Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: NONSTANDARD LOCATION AND
SIMULTANEOUS DEDICATION.
A. H. Blinebry Fed (NCT-4) No. 3
Lea County, New Mexico

Gentlemen:

It is requested that an examiner hearing be scheduled to consider Texaco's application for a non-standard location for the A. H. Blinebry Fed. (NCT-4) Well No. 3 and simultaneous dedication with A. H. Blinebry Fed. (NCT-4) Well No. 1 to the 160-acre A. H. Blinebry Fed. (NCT-4) lease (S/2, S/2, Sec. 31, T-22-S, R-38-E) in the Tubb Gas Pool. Well No. 1 is located at a standard location 660' FSL and 660' FEL, Sec. 31, T-22-S, R-38-E and is currently producing as a Blinebry Oil and Tubb Gas dual completion. The 160-acre A. H. Blinebry Fed. (NCT-4) lease is dedicated to Well No. 1 in the Tubb Gas pool. Well No. 3 is located at a non-standard location for the Tubb Gas pool 700' FSL and 2100' FEL, Sec. 31, T-22-S, R-38-E. Well No. 3 was recently recompleted from the Blinebry Oil pool and tested as a Tubb Gas well. Both wells are gas wells and neither well is capable of top allowable production.

A plat of the subject lease showing ownership of all offset leases is attached. Requests for waiver of objection and copies of this application have been sent to all offset operators (see attached list) by certified mail. A copy of this application is also being sent to the U.S.G.S.

Yours very truly,

J. V. Gannon
J. V. Gannon
District Superintendent

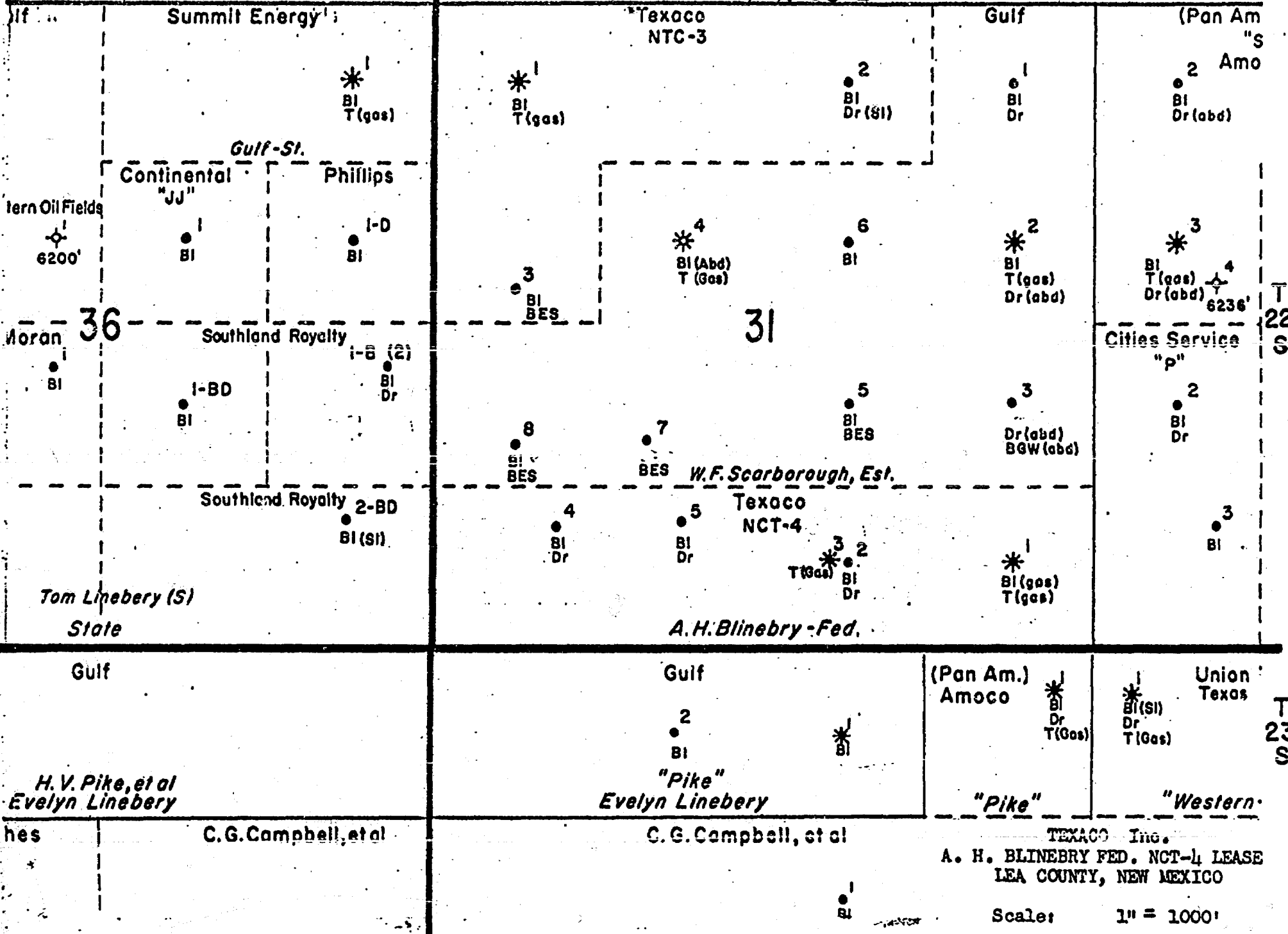
660 from side bound
370 from 1/4-1/4
WRH:las
Attachments *1320 nearest well*

U.S.G.S.

This is recycled paper

R-37-E

R-38-E



WAIVER OF OBJECTION
NONSTANDARD LOCATION AND
SIMULTANEOUS DEDICATION
A. H. Blinebry Fed. (NCT-4) No. 3
Lea County, New Mexico

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

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Union Texas Petroleum
OFFSET OPERATOR

By John A. Freeman ENB
Date July 31, 1978

Case 6296

JUL 31 1978

WAIVER OF OBJECTION
NONSTANDARD LOCATION AND
SIMULTANEOUS DEDICATION
A. H. Blinebry Fed. (NCT-4) No. 3
Lea County, New Mexico

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
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CITIES SERVICE COMPANY

OFFSET OPERATOR

By W. Van Horn **MANAGER PRODUCTION**
SOUTHWEST REGION
Date 7/27/78



PETROLEUM PRODUCTS

July 21, 1978

JUL 24 1978

TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

State of New Mexico
Department of Energy & Minerals
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 6296

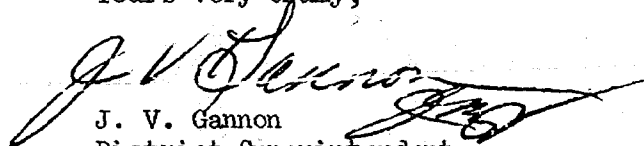
RE: NONSTANDARD LOCATION AND
SIMULTANEOUS DEDICATION.
A. H. Blinebry Fed (NCT-4) No. 3
Lea County, New Mexico

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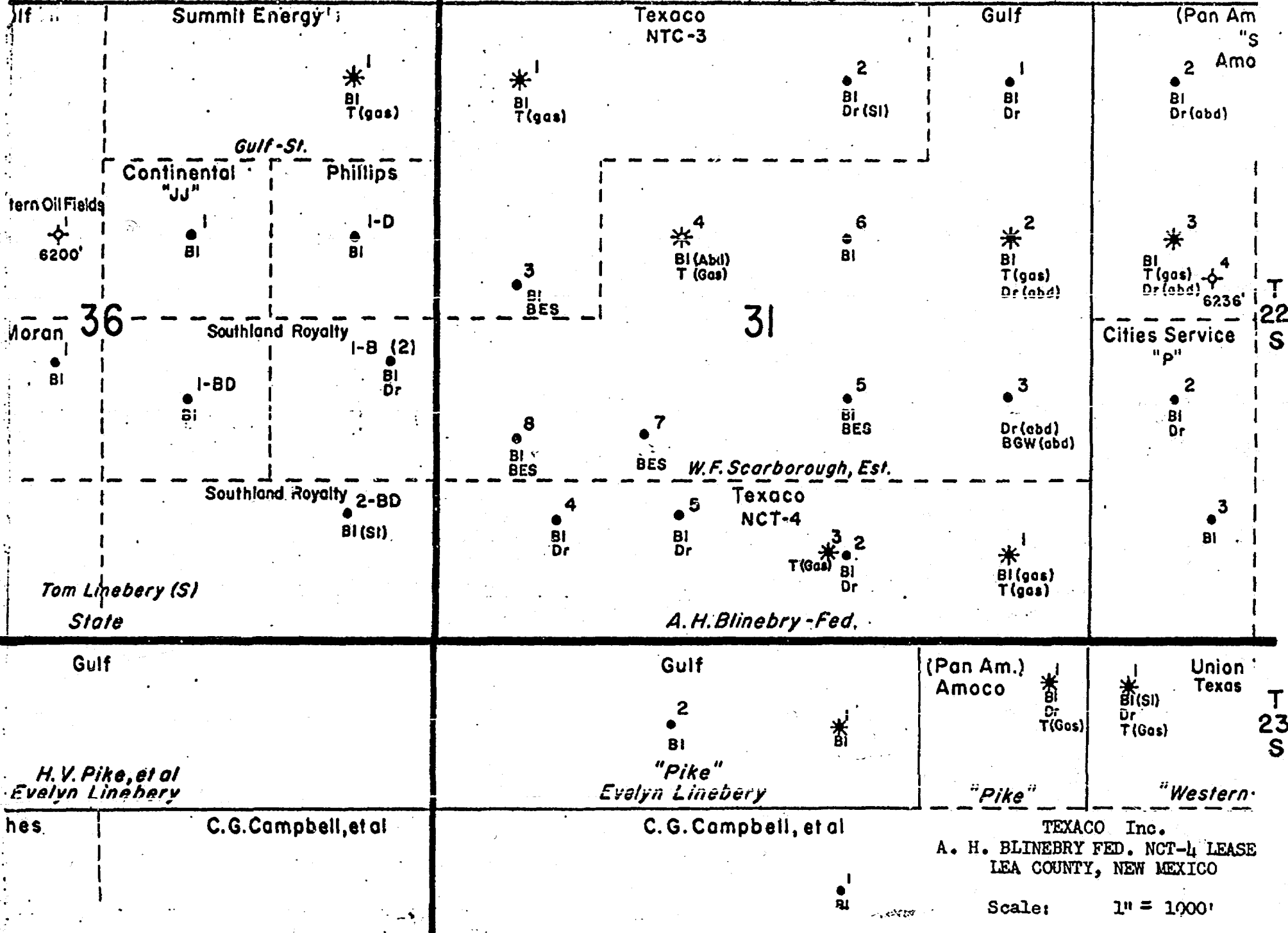

J. V. Gannon
District Superintendent

WRH:las
Attachments

U.S.G.S.

R-37-E

R-38-E



Scale: 1" = 1000'

OFFSET OPERATORS

Gulf Oil Company
P. O. Box 670
Hobbs, New Mexico 88240

Amoco Production Company
Drawer "A"
Levelland, Texas 79336

Union Texas Petroleum Div.
Allied Chemical Corporation
1300 Wilco Bldg.
Midland, Texas 79701

Southland Royalty Company
1100 Wall Towers West
Midland, Texas 79701

Cities Service Oil Company
Box 1919
Midland, Texas 79701

JUL 27 1978

WAIVER OF OBJECTION
NONSTANDARD LOCATION AND
SIMULTANEOUS DEDICATION
A. H. Blinebry Fed. (NCT-4) No. 3
Lea County, New Mexico

State of New Mexico
Energy & Minerals Department
Oil Conservation Division
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SOUTHLAND ROYALTY COMPANY
OFFSET OPERATOR

By GW Slaughter
Date July 25, 1978

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

ROUGH

dr/

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Application of Texaco Inc. for an unorthodox location and simultaneous dedication, Lea County,
New Mexico.

CASE NO. 6296

Order No. R- 1475-A

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 16, 1978,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this _____ day of August, 1978, the Division
Director, 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 Division has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Texaco Inc., seeks approval of
an unorthodox gas well location for its A. H. Blinebry Fed.
(NCT-4) Well No. 3 located 700 feet from the South line and 2100
feet from the East line of Section 31, Township 22 South,
Range 38 East, NMPM, ~~to Post the~~ _____

~~to Post the~~, Tubb Gas Pool, Lea County, New Mexico.
, a previously approved non-standard promotion unit,

(3) That the S/2 S/2 of said Section 31 is to be
simultaneously dedicated to the aforesaid well and to applicant's
A. H. Blinebry Fed. (NCT-4) Well No. 1 located in Unit P of
said Section 31.

(4) That a well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(5) That no offset operator objected to the proposed unorthodox location.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That an unorthodox gas well location for the Tubb Gas Pool ~~formation~~ is hereby approved for the Texaco Inc. A. H. Blinebry Fed. (NCT-4) Well No. 3 located at a point 700 feet from the South line and 2100 feet from the East line of Section 31, Township 22 South, Range 38 East, NMPM, Tubb Gas Pool, Lea County, New Mexico.

(2) That the S/2 S/2 of said Section 31 shall be simultaneously dedicated to the above-described well and to applicant's A. H. Blinebry Fed. (NCT-4) Well No. 1 located in Unit P of said Section 31.

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

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