

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION COMMISSION

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

CASE 8399  
Order No. R-7767

NOMENCLATURE

APPLICATION OF GULF OIL CORPORATION  
FOR POOL EXTENSION AND CONTRACTION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case came on for hearing at 9:00 A.M. on November 7, 1984, 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, 1984, the Commission, a quorum having been present, having considered the testimony and the record and being otherwise fully advised in the premises,

FINDS THAT:

(1) Due public notice has been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Gulf Oil Corporation, is the operator of the Eunice Monument South Unit with horizontal limits including that acreage described on Exhibit "A" attached to this order.

(3) The applicant, seeks the upward extension of the vertical limits of the Eunice-Monument Pool to include either the top of the Grayburg formation or to a subsea datum of minus 100 feet, whichever is higher, and the concomitant amendment of the vertical limits of the Eumont

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Gas Pool by contracting its lower limits to either the base of the Queen formation or to a subsea datum of minus 100 feet, whichever is higher, underlying said unit.

(4) The proposed amendment of pool vertical limits is necessary to permit the applicant to successfully carry out secondary recovery operations within the full oil column underlying said unit.

(5) No party appeared and objected to the proposed amendment of vertical limits.

(6) Granting this application will serve to prevent waste and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Within the area designated as the Eunice Monument South Unit Area, as shown on Exhibit "A" attached hereto, the vertical limits of the Eumont Gas Pool are hereby amended to be from the top of the Yates formation to a lower unit described as the base of the Queen formation or 100 feet below mean sea level, whichever is higher; the geologic markers having been previously found to occur at 2747 feet and 3666 feet, respectively, in Continental Oil Company's No. 23 Meyer B-4 Well (located at 660 feet from the South line and 1980 feet from the East line of Section 4, Township 21 South, Range 36 East, Lea County, New Mexico) as recorded on the Welex Acoustic Velocity Log taken on October 30, 1962, said log being measured from a kelly drive bushing elevation of 3,595 feet above sea level.

(2) Within the area designated as the Eunice Monument South Unit Area, as shown on Exhibit "A" attached hereto, the vertical limits of the Eunice Monument Oil Pool are hereby amended to be from an upper limit described as 100 feet below mean sea level or at the top of the Grayburg formation, whichever is higher, to a lower limit at the base of the San Andres formation; the geologic markers having been previously found to occur at 3666 feet and 5283 feet, respectively, in Continental Oil Company's No. 23 Meyer B-4 well (located at 660 feet from the South line and 1980 feet from the East line of Section 4, Township 21 South, Range 36 East, Lea County, New Mexico) as recorded on the Welex Acoustic Velocity Log taken on October 30, 1962, said log being measured from a kelly drive bushing elevation of 3,595 feet above sea level.

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(3) The effective date of this order and the changes to vertical limits included herein shall be January 1, 1985.

(4) 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 COMMISSION

JIM BACA, Member



ED KELLEY, MEMBER



R. L. STAMETS, Chairman  
and Secretary

S E A L

LEA COUNTY, NEW MEXICO

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 25: All  
Section 36: All

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 30: S/2, S/2 N/2, NE/4 NW/4 and  
NW/4 NE/4

Section 31: All  
Section 32: All

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 2: S/2 S/2  
Section 3: Lots 3, 4, 5, 6, 11, 12, 13, and  
14 and S/2  
Section 4 through 11: All  
Section 12: W/2 SW/4  
Section 13: NW/4 NW/4  
Sections 14 through 18: All  
Section 21: N/2 and N/2 S/2  
Section 22: N/2 and N/2 S/2

CASE NO. 8399  
ORDER NO. R-7767  
EXHIBIT "A"

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

NOMENCLATURE  
CASE NO. 10061  
Order No. R-7767-A

APPLICATION OF CHEVRON U.S.A. INC.  
FOR POOL EXTENSION AND CONTRACTION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 22, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 19th day of October, 1990, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) Division Case Nos. 10059, 10060 and 10061 were consolidated at the time of the hearing for the purpose of testimony.
- (3) The applicant, Chevron U.S.A. Inc., is the operator of the Eunice Monument South Unit Expansion Area B with horizontal limits encompassing that acreage described on Exhibit "A" attached hereto.

NOMENCLATURE  
CASE NO. 10061  
Order No. R-7767-A  
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(4) The applicant seeks the vertical extension of the upper limits of the Eunice Monument Grayburg-San Andres Pool to include either the top of the Grayburg formation or to a subsea datum of minus 100 feet, whichever is higher, and the concomitant amendment of the vertical limits of the Eumont Gas Pool by contracting its lower limits to either the base of the Queen formation or to a subsea datum of minus 100 feet, whichever is higher, underlying said area.

(5) The proposed amendment of pool vertical limits is necessary to permit the applicant to successfully carry out secondary recovery operations within the full oil column underlying said unit.

(6) No party appeared and objected to the proposed amendment of said vertical limits.

(7) Granting this application will serve to prevent waste and will not violate correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) Within the area designated as the Eunice Monument South Unit Expansion Area B, as described on Exhibit "A" attached hereto, the vertical limits of the Eumont Gas Pool are hereby amended to be from the top of the Yates formation to a lower limit described as the base of the Queen formation or 100 feet below mean sea level, whichever is higher; the geologic markers having been previously found to occur at 2,747 feet and 3,666 feet, respectively, in Continental Oil Company's Meyer B-4 Well No. 23 located 660 feet from the South line and 1980 feet from the East line of Section 4, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, as recorded on the Welex Acoustic Velocity Log taken on October 30, 1962, said log being measured from a kelly drive bushing elevation of 3,595 feet above sea level.

(2) Within the area designated as the Eunice Monument South Unit Expansion Area B, as described on Exhibit "A" attached hereto, the vertical limits of the Eunice Monument Grayburg-San Andres Pool are hereby amended to be from an upper limit described as 100 feet below mean sea

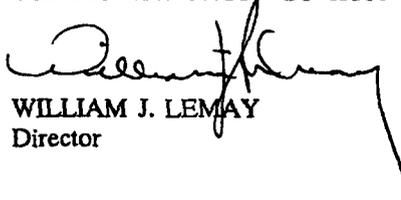
NOMENCLATURE  
CASE NO. 10061  
Order No. R-7767-A  
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level or at the top of the Grayburg formation, whichever is higher, to a lower limit at the base of the San Andres formation; the geologic markers having been previously found to occur at 3,666 feet and 5,283 feet, respectively, in Continental Oil Company's Meyer B-4 Well No. 23 located 660 feet from the South line and 1980 feet from the East line of Section 4, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico, as recorded on the Welex Acoustic Velocity Log taken on October 30, 1962, said log being measured from a kelly drive bushing elevation of 3,595 feet above sea level.

(3) 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



WILLIAM J. LEMAY  
Director

S E A L

CASE NO. 10061  
DIVISION ORDER NO. R-7767-A  
EXHIBIT "A"

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Section 10: E/2 E/2  
Section 11: W/2 NE/4, W/2, SE/4  
Section 13: W/2, S/2 SE/4  
Section 14: All  
Section 15: NE/4 NE/4  
Section 23: All  
Section 24: N/2, SW/4, W/2 SE/4

ALL IN LEA COUNTY, NEW MEXICO

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 9230  
Order No. R-8539

THE APPLICATION OF SHELL WESTERN  
E & P, INC., FOR POOL CREATION,  
SPECIAL POOL RULES, AND CONTRACTION  
OF THE BLINEBRY, TUBB, AND DRINKARD  
POOLS, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 24, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of November, 1987, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and having been fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) Division Case Nos. 9230, 9231, and 9232 were consolidated at the time of the hearing for the purpose of testimony.
- (3) The applicant, Shell Western E & P, Inc., seeks the creation of a new oil and gas pool for Blinebry, Tubb, and Drinkard production, said pool to be designated the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool comprising the following described acreage in Lea County, New Mexico:

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Case No. 9230  
Order No. R-8539

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 2: All  
Section 3: All  
Section 4: Lots 1, 8, 9, and 16  
Section 10: All  
Section 11: SW/4  
Section 14: NW/4  
Section 15: All  
Section 22: All  
Section 23: All

(4) The applicant further proposes to define the vertical limits of the pool to include the Blinebry, Tubb, and Drinkard formations from a depth of 5530 feet (2101 feet sub-sea) to a depth of 6680 feet (3251 feet sub-sea) on the log run June 21, 1951 on the Shell Argo Well No. 8 located 660 feet from the South line and 2310 feet from the West line of Section 15, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) The applicant seeks the creation of said pool for the purpose of instituting a secondary recovery project (the subject of Case No. 9232) within the described horizontal and vertical boundaries described above.

(6) The applicant further seeks the promulgation of special rules and regulations for said pool including a provision that any well within the pool designated as a gas well will be subject to the gas proration rules set forth in Commission Order No. R-8170, as amended, a provision that simultaneous dedication of pool acreage to oil and gas wells will be allowed, and a provision for well location requirements.

(7) In conjunction with the proposed pool creation, the applicant further seeks the concomitant contraction of the Blinebry Oil and Gas Pool, the Tubb Oil and Gas Pool, and the Drinkard Oil Pool described as follows:

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Order No. R-8539

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

<u>Blinebry Pool</u>	<u>Tubb Pool</u>	<u>Drinkard Pool</u>
Section 2: All	Lots 3-6,11-14, S/2	All
Section 3: All	All	All
Section 4: Lots 1,8,9,16	Lots 1,8,9,16	Lot 9
Section 10: All	All	All
Section 11: SW/4	SW/4	SW/4
Section 14: NW/4	NW/4	NW/4
Section 15: All	All	All
Section 22: All	All	All
Section 23: All	All	All

(8) The applicant testified that over the operational history of the Blinebry Oil and Gas Pool, the Tubb Oil and Gas Pool, and the Drinkard Oil Pool, the Division has allowed commingling of these pools within the wellbores of numerous wells in the subject area.

(9) This commingling has resulted in the development of effective communication between the three pools, which has in turn resulted in similar formation pressures and production responses.

(10) Consequently, the vertical interval containing the Blinebry, Tubb, and Drinkard formations more closely resembles, at this late stage of primary development, one common single source of supply.

(11) The applicant further presented evidence and testimony which indicates that secondary recovery operations conducted simultaneously within the Blinebry, Tubb, and Drinkard formations would be the most efficient method of operation and would result in the recovery of the maximum amount of secondary reserves from the subject formations within the subject area.

(12) In order to prevent waste caused by the loss of secondary reserves resulting from inefficient secondary recovery operations, and by the unnecessary duplication of facilities required to conduct separate waterflood operations within the three subject formations, the application of Shell Western E & P, Inc. for the creation of a new oil and gas pool for the purpose of conducting secondary recovery operations should be approved.

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Order No. R-8539

(13) In order to assure the orderly development and operation of the proposed secondary recovery project within the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool, special rules and regulations, including, but not limited to, well location requirements, oil and gas well spacing, classification, acreage dedication, and recompletions, and reporting procedures should be adopted for a temporary period.

(14) Within the proposed pool boundaries of the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool, there currently exist a number of wells classified as gas wells producing from the Blinebry and/or the Tubb Oil and Gas Pools.

(15) The applicant proposes to continue to operate these wells (shown on Exhibit "A" attached to this order) as gas wells within the Blinebry and/or Tubb Oil and Gas Pools and further proposes that these wells continue to be operated subject to the gas proration rules and regulations contained in Division Order No. R-8170.

(16) The applicant further proposed to recomplete a number of wells currently classified as oil wells to gas wells producing from the Blinebry and/or Tubb formations; (these wells are also shown on Exhibit "A").

(17) The applicant should be allowed to continue to operate the currently existing gas wells, and the proposed recompleted gas wells in the manner described in Finding No. (15) above, subject to certain restrictions which will ensure that remaining primary gas reserves within the Blinebry and/or Tubb Oil and Gas Pools are recovered and which will further ensure that correlative rights will not be violated thereby.

(18) The applicant further requested that the special rules and regulations allow for simultaneous dedication of acreage to oil and gas wells within the pool boundaries.

(19) Testimony by the applicant indicated that the existing and proposed gas wells as shown on Exhibit "A" were or will be producing from isolated gas zones within the Blinebry and Tubb formations and that the production from oil and gas wells which would both occupy a proration unit would not in effect be producing from the same zones.

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(20) The effect of allowing simultaneous dedication of acreage within the pool would result in a more efficient and complete production of remaining primary gas reserves, thereby preventing waste, and should be approved.

(21) The applicant further requested at the hearing that a gas-oil ratio limitation of 6000 cubic feet of gas per barrel of oil be established for the subject pool.

(22) Said gas-oil ratio limitation would also allow the applicant to more efficiently and completely produce remaining primary reserves in the interim period prior to initiating waterflood operations and should be approved.

(23) The special rules and regulations promulgated herein should only apply to the area to be utilized by the applicant for secondary recovery operations and further, the horizontal limits of the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool should be expanded only after notice and hearing, and any expansion of said pool should be only for the purpose of expanding or approving secondary recovery operations within the pool.

(24) The temporary special rules and regulations promulgated herein should remain in effect for a period of three years, at which time this case should be reopened to allow the applicant to appear and show cause why the special rules and regulations for the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool should not be rescinded.

IT IS THEREFORE ORDERED THAT:

(1) A new pool for Blinebry, Tubb, and Drinkard production is hereby created and designated the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool comprising vertical limits defined from a depth of 5530 feet (2101 feet sub-sea) to a depth of 6680 feet (3251 feet sub-sea) on the log run June 21, 1951 on the Shell Argo Well No. 8 located 660 feet from the South line and 2310 feet from the West line of Section 15, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, and with horizontal limits comprised of the following described acreage:

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TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 2: All  
Section 3: All  
Section 4: Lots 1, 8, 9, 16  
Section 10: All  
Section 11: SW/4  
Section 14: NW/4  
Section 15: All  
Section 22: All  
Section 23: All

(2) The horizontal boundaries of the Blinebry Oil and Gas Pool, the Tubb Oil and Gas Pool, and the Drinkard Oil Pool, are hereby contracted by the deletion of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

<u>Blinebry Pool</u>	<u>Tubb Pool</u>	<u>Drinkard Pool</u>
Section 2: All	Lots 3-6,11-14, S/2	All
Section 3: All	All	All
Section 4: Lots 1,8,9,16	Lots 1,8,9,16	Lot 9
Section 10: All	All	All
Section 11: SW/4	SW/4	SW/4
Section 14: NW/4	NW/4	NW/4
Section 15: All	All	All
Section 22: All	All	All
Section 23: All	All	All

(3) Temporary special Rules and Regulations governing operations within the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE  
NORTH EUNICE BLINEBRY-TUBB-DRINKARD OIL AND GAS POOL

RULE 1. Each well completed or recompleted in the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool or in the Blinebry, Tubb, or Drinkard formations within the designated pool boundaries shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. A producing oil well within the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool shall have dedicated to it a tract consisting of 40 acres comprised of a governmental quarter-quarter section or lot and shall be located no closer than 330 feet to any outer boundary of such tract.

RULE 3. The Division Director shall have authority to grant exceptions to the well location requirements of Rule 2 in accordance with the terms and provisions of General Rule 104(F), and provided the requirements contained in said rule are complied with.

RULE 4. A producing gas well within the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool shall have dedicated to it a tract consisting of 160 acres comprised of contiguous governmental quarter-quarter sections or lots.

RULE 5. All gas wells within the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool shall be subject to the gas proration rules contained in the Rules and Regulations For Prorated Gas Pools (Division Order No. R-8170), and shall further be governed by all other rules contained in the Special Rules and Regulations for the Blinebry Oil and Gas Pool and the Tubb Oil and Gas Pool, whichever is applicable, not inconsistent with the rules promulgated herein.

RULE 6. Acreage within the pool may be simultaneously dedicated to oil and gas wells provided that; any acreage assigned to a gas well within the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool shall not be located closer than 1320 feet to the pool boundaries unless such acreage would be contiguous with a Blinebry and/or Tubb gas proration unit, whichever is applicable, located outside the pool boundaries.

RULE 7. An oil well in the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool shall be a well producing from the vertical and horizontal limits of the pool and not classified as a gas well.

RULE 8. A gas well in the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool shall be a well producing from defined gas intervals within the Blinebry or Tubb formations, and shall not be subject to any specific gas-liquid hydrocarbon ratio; an oil

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Order No. R-8539

well in the pool may be recompleted as a gas well in the Blinebry or Tubb formation provided the operator of such well makes application to and receives approval from the supervisor of the Division's Hobbs District Office.

RULE 9. Commingling of production in the wellbore of any well producing from both oil zones and gas zones in the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool is prohibited.

RULE 10. Any gas well producing from both the Blinebry and Tubb formations and classified for at least one year as marginal in both pools may be downhole commingled provided that adequate production history from both zones is available to accurately determine an allocation formula, and the operator has made application to the Division as per Rule No. 303 (C) of the Division's Rules and Regulations.

RULE 11. The limiting gas-oil ratio for wells producing from oil zones in the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool shall be 6000 cubic feet of gas per barrel of oil.

RULE 12. Oil wells in the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool shall receive oil and casinghead gas allowables as provided in either Division General Rule 701 F(3) or Rules 503, 505, and 506.

RULE 13. The operator shall consult with the Division's Hobbs District Office for procedures to be used for obtaining approval of well conversions, recompletions, abandonment of zones, etc., and for production reporting within the pool.

(5) The existing gas wells and the proposed recompleted gas wells shown on Exhibit "A" attached to this order are hereby classified as gas wells in the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool.

(6) Upon recompletion of the proposed gas wells shown on Exhibit "A", the applicant shall file with the Division the necessary completion reports in order that these wells may be added to the gas proration schedule.

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Order No. R-8539

(7) The effective date of this order shall be November 1, 1987.

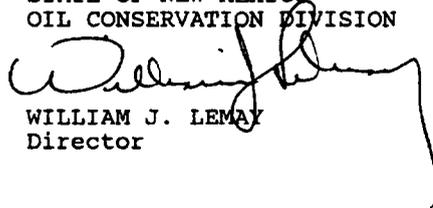
(8) The horizontal limits of the North Eunice Blinbry-Tubb-Drinkard Oil and Gas Pool shall be expanded only after notice and hearing, and any expansion of said pool shall be only for the purpose of expanding or approving any secondary recovery operations within the pool.

(9) This case shall be reopened at an examiner hearing in November, 1990, at which time the applicant shall appear and show cause why the special rules and regulations promulgated herein should not be rescinded.

(10) 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



WILLIAM J. LEMAY  
Director

S E A L

EXHIBIT "A"  
CASE NO. 9230  
ORDER NO. R-8539

NORTHEAST DRINKARD UNIT  
EXISTING GAS WELLS

<u>OPERATOR, WELL NAME</u>	<u>UNIT WELL NO.</u>	<u>LOCATION (T-21S R-37E)</u>	<u>PROPOSED COMPLETION</u>
<u>SECTION 15:</u>			
Shell Western Argo No. 5	705	330 FSL & 2310 FWL	Blinebry/Tubb
Marathon Oil Warlick "C" No. 1	706	1980 FSL & 1980 FEL	Blinebry/Tubb

SECTION 22:

Shell Western Turner No. 10	902	2080 FSL & 1650 FWL	Blinebry/Tubb
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Note: The three wells described above are currently completed in the Tubb formation only.

PROPOSED RECOMPLETED GAS WELLS

SECTION 2:

Meridian Oil State "2" No. 8	116	5790 FSL & 660 FWL	Blinebry
Meridian Oil State "2" No. 3	215	3175 FSL & 660 FWL	Blinebry
Shell Western State "2" No. 15	216	3546 FNL & 1650 FWL	Blinebry

SECTION 3:

Shell Western Taylor Glenn No. 9	107	1585 FNL & 1980 FWL	Blinebry
Conoco Hawk B-3 No. 12	305	1980 FSL & 1980 FEL	Blinebry/Tubb

SECTION 4:

Shell Western Livingston No. 12	201	4520 FSL & 660 FEL	Blinebry
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SECTION 10:

Conoco Hawk B-10 No. 2	404	1980 FNL & 2310 FWL	Blinebry
Conoco Hawk B-10 No. 9	405	660 FNL & 1980 FEL	Blinebry
Meridian Oil Dauron No. 2	409	660 FNL & 525 FEL	Blinebry

SECTION 11:

Meridian Oil Gutman No. 2	510	1980 FSL & 990 FWL	Blinebry/Tubb
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SECTION 15:

Cities Service State "S" No. 1	602	1980 FNL & 660 FWL	Blinebry
Cities Service State "S" No. 5	608	1980 FNL & 1880 FWL	Tubb
Shell Western State "15" No. 1	611	1980 FNL & 1978 FEL	Blinebry/Tubb
Marathon Oil Warlick "C" No. 9	710	990 FSL & 990 FEL	Blinebry/Tubb

SECTION 22:

Shell Western Argo "A" No. 11	804	1650 FNL & 1650 FWL	Blinebry/Tubb
Shell Western Turner No. 14	906	2310 FSL & 2310 FEL	Blinebry/Tubb

SECTION 23:

Shell Western Sarkeys No. 2	913	1980 FSL & 1980 FWL	Blinebry/Tubb
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STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 10052  
Order Nos. R-8539-A  
R-8541-B

APPLICATION OF SHELL WESTERN E & P  
INC. FOR AMENDMENT OF DIVISION ORDER  
NOS. R-8539 AND R-8541, AS AMENDED,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 22, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of September, 1990, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Order No. R-8539 dated November 9, 1987, issued in Case No. 9230 upon application of Shell Western E & P Inc., the Division created and defined the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool for the purpose of conducting secondary recovery operations, and further promulgated Temporary Special Rules and Regulations including provisions whereby Blinebry and Tubb gas wells would be separately classified and produced in accordance with the Rules and Regulations for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended.

CASE NO. 10052  
Order Nos. R-8539-A  
R-8541-B

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(3) By Order No. R-8541, as amended, dated November 9, 1987, issued in Case No. 9232, the Division authorized Shell Western E & P Inc. to institute a waterflood project on its Northeast Drinkard Unit within said North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool.

(4) The applicant, Shell Western E & P Inc., seeks to delete Rule Nos. 4 through 10 of the Special Rules and Regulations for the North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool, which rules pertain to Blinebry and Tubb gas well classification and production.

(5) In addition, the applicant seeks to delete Rule Nos. 11 and 12, which rules established a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil and oil and gas allowables in accordance with Division General Rule Nos. 701 (F)(3), 503, 505, and 506.

(6) The applicant further seeks to amend Division Order No. R-8541, as amended, by eliminating Ordering Paragraph Nos. (8) and (9) which prohibit injection into gas bearing zones, and which provide that an adequate number of wells be utilized for Blinebry and Tubb gas production.

(7) In addition, pursuant to the provisions of Division Order No. R-8539, the applicant is prepared (via Case No. 10052 in lieu of reopening Case No. 9230) to present evidence and testimony to show cause why the Temporary Rules and Regulations for the subject pool should not be rescinded.

(8) Rule Nos. 4 through 10 and Ordering Paragraph Nos. (8) and (9) as described above, were incorporated into said Order Nos. R-8539 and R-8541, respectively, in order to protect and provide a means by which remaining gas cap reserves within the Blinebry and Tubb formations could be recovered and to further ensure that these gas cap reserves would not be watered out during coexistent waterflood operations.

(9) Rule Nos. 11 and 12 were incorporated into said Order No. R-8539 in order to allow more efficient and complete production of primary reserves within the pool during the interim period prior to commencement of injection operations.

CASE NO. 10052  
Order Nos. R-8539-A  
R-8541-B

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(10) Subsequent to the issuance of Order Nos. R-8539 and R-8541, as amended, the applicant has obtained extensive additional reservoir data which now indicates that the gas caps which may have existed in this reservoir are now largely depleted.

(11) The evidence presented by the applicant indicates that approximately 95 percent of the gas currently being produced within the subject unit is produced from the depleted oil column and approximately 5 percent is being produced from remaining Blinebry and Tubb gas caps.

(12) According to further evidence it is currently uneconomic for the applicant to drill or recompleat wells to produce any remaining gas cap reserves due to the marginal gas production encountered in such wells.

(13) The applicant has demonstrated that the ultimate gas recovery within the unit (approximately 54.7 BCF-1987 forecast) will not be reduced by approval of the subject application.

(14) The applicant has further demonstrated that failure to waterflood depleted gas caps in the reservoir could decrease ultimate oil recovery because of the possibility that oil reserves will be displaced into depleted gas caps and not be recoverable in the future.

(15) The applicant intends, according to testimony, to continue producing these marginal Blinebry and Tubb gas wells until such time as they are depleted or until such time as mechanical failures force the abandonment of such wells.

(16) In order to prevent the drilling of unnecessary wells, promote effective and efficient secondary recovery operations, and to otherwise prevent waste and protect correlative rights, Rule Nos. 4 through 10, 11, and 12 of the Special Rules and Regulations for the North Eunice Blinebry-Tubb Drinkard Oil and Gas Pool and Ordering Paragraph Nos. (8) and (9) of Division Order No. R-8541, as amended, should be rescinded.

CASE NO. 10052  
Order Nos. R-8539-A  
R-8541-B

Page -4-

(17) The evidence and testimony by the applicant further indicates that the pool rules currently in effect, with the exception of those described in Finding No. (16) above, are effective in promoting orderly development of secondary reserves within the subject pool, and should therefore be made permanent.

(18) The subject pool should be redesignated the North Eunice Blinebry-Tubb-Drinkard Pool.

(19) In order to protect the correlative rights of those operators who may be producing gas from the Blinebry and Tubb zones outside the boundary of the North Eunice Blinebry-Tubb-Drinkard Pool, the applicant should be required to notify such affected offset operators in the event the applicant intends to:

- a) Add perforations to any well currently producing from the gas bearing portion of the Blinebry and/or Tubb formation.
- b) Perforate the gas bearing portion of the Blinebry and/or Tubb formation in any currently authorized or subsequently approved injection well.

(20) In accordance with Division General Rule No. 701 (F)(3), the Northeast Drinkard Unit Waterflood Project should be assigned an oil and gas allowable equal to the project's ability to produce.

(21) The amended Rules and Regulations for the North Eunice Blinebry-Tubb-Drinkard Pool should remain in effect until further order of the Division.

CASE NO. 10052  
Order Nos. R-8539-A  
R-8541-B

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IT IS THEREFORE ORDERED THAT:

(1) The North Eunice Blinebry-Tubb-Drinkard Oil and Gas Pool, heretofore created and defined by Division Order No. R-8539, Lea County, New Mexico, is hereby redesignated the North Eunice Blinebry-Tubb-Drinkard Pool.

(2) The Special Rules and Regulations for the North Eunice Blinebry-Tubb-Drinkard Pool, as originally promulgated by Division Order No. R-8539 are hereby superseded by the following:

SPECIAL RULES AND REGULATIONS FOR THE  
NORTH EUNICE BLINEBRY-TUBB-DRINKARD POOL

- RULE 1. Each well completed or recompleted in the North Eunice Blinebry-Tubb-Drinkard Pool or in the Blinebry, Tubb, or Drinkard formation within the designated vertical and horizontal pool boundaries shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.
- RULE 2. A producing oil well within the North Eunice Blinebry-Tubb-Drinkard Pool shall have dedicated to it a tract consisting of 40 acres comprised of a governmental quarter-quarter section or lot and shall be located no closer than 330 feet to any outer boundary of such tract.
- RULE 3. The Division Director shall have authority to grant exceptions to the well location requirements of Rule 2 in accordance with the terms and provisions of General Rule 104 (F), and provided the requirements contained in said rule are complied with.

CASE NO. 10052  
Order Nos. R-8539-A  
R-8541-B

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RULE 4. The operator shall consult with the Division's Hobbs district office for procedures to be used for obtaining approval of well conversions, recompletions, abandonment of zones, etc., and for production reporting within the pool.

RULE 5. The supervisor of the Hobbs district office of the Division may grant requests to add perforations to any well currently producing from the gas bearing portion of the Blinbry and/or Tubb formation provided that the applicant includes proof that all affected offset operators have been notified of such requests and that no objections have been received by the Division within 20 days of such notification.

RULE 6. The Division Director may grant requests to perforate the gas bearing portion of the Blinbry and/or Tubb formations in any currently authorized or subsequently approved injection well provided that all affected offset operators have been notified of such requests and that no objections have been received by the Division within 20 days of such notification.

(3) Ordering Paragraph Nos. (8) and (9) of Division Order No. R-8541, as amended, are hereby deleted.

(4) In accordance with Division General Rule No. 701 (F)(3), the Northeast Drinkard Unit Waterflood Project shall be assigned an oil and gas allowable equal to the project's ability to produce.

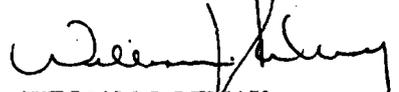
(5) All other provisions contained within Division Order Nos. R-8539 and R-8541, as amended, shall remain in full force and effect.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 10052  
Order Nos. R-8539-A  
R-8541-B  
Page -7-

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

Nomenclature  
Case No. 10552  
Order No. R-9745

APPLICATION OF ARCO OIL AND GAS COMPANY  
FOR POOL CREATION AND CONTRACTION AND,  
IF APPLICABLE, POOL EXTENSIONS AND/OR  
REDESIGNATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 17, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 23rd day of October, 1992, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
  - (2) Division Case Nos. 10552, 10553 and 10554 were consolidated at the time of the hearing for the purpose of testimony.
  - (3) The applicant, ARCO Oil and Gas Company (ARCO), seeks the creation of a new pool for the production of oil and gas from the Blinebry, Tubb and Drinkard formations, said pool to be designated the Justis Blinebry-Tubb-Drinkard Pool comprising the following described acreage in Lea County, New Mexico:
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**TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM**

Section 11: N/2, SE/4, E/2 SW/4  
Section 12: W/2, W/2 SE/4  
Section 13: All  
Section 14: E/2, E/2 W/2  
Section 23: E/2, E/2 NW/4, NE/4 SW/4  
Sections 24 and 25: All  
Section 26: NE/4, N/2 SE/4, SE/4 SE/4  
Section 35: E/2 NE/4  
Section 36: All

**TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM**

Section 19: W/2 W/2  
Section 30: W/2 W/2  
Section 31: W/2 W/2

**TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM**

Section 1: N/2 NE/4

(4) The applicant further proposes to define the vertical limits of the Justis Blinebry-Tubb-Drinkard Pool to include the Blinebry, Tubb and Drinkard formations from a depth of 4980 feet to a depth of 6180 feet as found on the log run on the ARCO Ida Wimberly Well No. 4 located 660 feet from the South line and 990 feet from the West line (Unit M) of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) The applicant seeks the creation of said pool for the purpose of instituting a secondary recovery project (being the subject of Case No. 10554) within the horizontal and vertical boundaries described above.

(6) The proposed horizontal boundaries of the Justis Blinebry-Tubb-Drinkard Pool conform to the boundaries of the South Justis Unit Area, approved by Division Order No. R-9746.

(7) In conjunction with the proposed pool creation, the applicant further seeks the concomitant contraction of those portions of the Justis-Blinebry Pool and the Justis Tubb-Drinkard Pools which lie within the South Justis Unit Area.

**CASE NO. 10552 - NOMENCLATURE**

**Order No. R-9745**

**Page -3-**

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(8) The applicant testified that over the operational history of the Justis-Blinebry Pool and the Justis Tubb-Drinkard Pool, the Division has allowed commingling of these pools within the wellbores of numerous wells in the subject area.

(9) This commingling has resulted in the development of effective communication between the pools, which has in turn resulted in similar formation pressures and production responses.

(10) Consequently, the vertical interval containing the Blinebry, Tubb and Drinkard formations more closely resembles, at this late stage of primary development, one common single source of supply.

(11) The evidence further established that the Blinebry, Tubb and Drinkard formations were of similar rock quality and that the development of the reserves in these zones as separate pools has been a factor of the historical development of this area and is not based on the geological characteristics of these zones.

(12) The applicant further presented evidence and testimony which indicates that secondary recovery operations conducted simultaneously within the Blinebry, Tubb and Drinkard formations would be the most effective method of operation and would result in the recovery of the maximum amount of secondary reserves from the subject formations within the subject area.

(13) In order to prevent waste caused by the loss of secondary reserves resulting from inefficient secondary recovery operations, and by the unnecessary duplication of facilities required to conduct separate waterflood operations within the three subject formations, ARCO's application for the creation of a new pool for the purpose of conducting secondary recovery operations should be approved.

(14) Approval of the horizontal boundaries of the Justis Blinebry-Tubb-Drinkard Pool and the concomitant contraction of the Justis-Blinebry and Justis Tubb-Drinkard Pools as proposed by the applicant will result in portions of the Justis-Blinebry and Justis Tubb-Drinkard Pools being segregated and non-contiguous with the remaining acreage in these pools.

(15) Division policy regarding nomenclature dictates that pools generally must be contiguous.

(16) The proposed boundaries of the Justis Blinebry-Tubb-Drinkard Pool should be expanded outside the South Justis Unit Area to include those portions of the Justis-Blinebry and Justis Tubb-Drinkard Pool whose exclusion would result in non-contiguous acreage within these pools.

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(17) The Justis Blinebry-Tubb-Drinkard Pool should comprise the following described area:

**TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM**

Sections 11 through 14: All  
Sections 23 through 25: All  
Section 26: E/2, SW/4  
Section 35: E/2  
Section 36: All

**TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM**

Section 18: SW/4  
Section 19: NW/4, W/2 SW/4  
Section 30: W/2  
Section 31: W/2

**TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM**

Section 1: All  
Section 12: W/2

**TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM**

Section 6: NW/4

(18) The Justis-Blinebry and Justis Tubb-Drinkard Pools should be contracted by the deletion therefrom of the following described acreage:

**TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM**

<u>Justis-Blinebry</u>	<u>Justis Tubb-Drinkard</u>
Section 11: All	All
Section 12: All	S/2, NW/4
Section 13: All	All
Section 14: All	NE/4, E/2 NW/4, E/2 SE/4, SW/4 SE/4
Section 23: All	E/2, NW/4
Section 24: All	All
Section 25: All	All
Section 26: E/2, SW/4	NE/4, E/2 SE/4
Section 35: E/2	E/2 NE/4
Section 36: All	All

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**TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM**

Section 18: SW/4 -----  
Section 19: NW/4 W/2 W/2  
Section 30: W/2 W/2 NW/4, NW/4 SW/4  
Section 31: W/2 NW/4

**TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM**

Section 1: N/2 E/2, SW/4  
Section 12: ----- W/2

**TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM**

Section 6: NW/4 -----

**IT IS THEREFORE ORDERED THAT:**

(1) A new pool for Blinebry, Tubb and Drinkard production is hereby created and designated the Justis Blinebry-Tubb-Drinkard Pool comprising vertical limits defined from a depth of 4980 feet to a depth of 6180 feet as shown on the type log run on the ARCO Ida Wimberly Well No. 4 located 660 feet from the South line and 990 feet from the West line of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, and with horizontal limits comprised of the following described acreage:

**TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM**

Sections 11 through 14: All  
Sections 23 through 25: All  
Section 26: E/2, SW/4  
Section 35: E/2  
Section 36: All

**TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM**

Section 18: SW/4  
Section 19: NW/4, W/2 SW/4  
Section 30: W/2  
Section 31: W/2

**TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM**

Section 1: All  
Section 12: W/2

**TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM**

Section 6: NW/4

(2) The horizontal boundaries of the Justis-Blinebry and Justis Tubb-Drinkard Pools are hereby contracted by the deletion therefrom of the following described acreage:

**TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM**

<u>Justis-Blinebry</u>	<u>Justis Tubb-Drinkard</u>
Section 11: All	All
Section 12: All	S/2, NW/4
Section 13: All	All
Section 14: All	NE/4, E/2 NW/4, E/2 SE/4, SW/4 SE/4
Section 23: All	E/2, NW/4
Section 24: All	All
Section 25: All	All
Section 26: E/2, SW/4	NE/4, E/2 SE/4
Section 35: E/2	E/2 NE/4
Section 36: All	All

**TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM**

Section 18: SW/4	-----
Section 19: NW/4	W/2 W/2
Section 30: W/2	W/2 NW/4, NW/4 SW/4
Section 31: W/2	NW/4

**TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM**

Section 1: N/2	E/2, SW/4
Section 12: -----	W/2

**TOWNSHIP 26 SOUTH, RANGE 38 EAST, NMPM**

Section 6: NW/4 -----

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

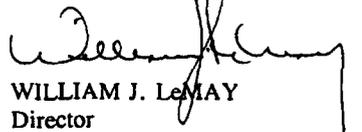
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**CASE NO. 10552 - NOMENCLATURE**  
**Order No. R-9745**  
**Page -7-**

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LeMAY  
Director

S E A L

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STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

NOMENCLATURE  
CASE NO. 10903  
ORDER NO. R-10067

APPLICATION OF MARBOB ENERGY CORPORATION FOR ABOLISHMENT OF  
THE GRAYBURG-PADDOCK POOL AND EXTENSION OF THE VERTICAL LIMITS  
OF THE GRAYBURG-JACKSON POOL, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 3, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 22nd day of February, 1994, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Marbob Energy Corporation (Marbob), seeks an order abolishing the Grayburg-Paddock Pool located in the SE/4 of Section 18, Township 17 South, Range 30 East, and extending the vertical limits of the Grayburg-Jackson Pool to include the Glorieta Yeso (Paddock) formation under the Unit Area which is located in portions of Township 17 South, Ranges 29 and 30 East, NMPM, Eddy County, New Mexico.
- (3) Division Cases Nos. 10903 and 10904 were consolidated at the time of the hearing for the purpose of testimony. The following findings concerning Case No. 10903 are based on exhibits and documents submitted by the applicant and the testimony of the applicant's witnesses.

(4) Marbob is the operator of the Burch-Keely Unit, Grayburg-Jackson Pool, Eddy County, New Mexico which is comprised of 5149.44 acres, more or less, of federal lands which was statutorily unitized pursuant to Oil Conservation Division Order No. R-7900-A dated October 28, 1993. The Unit Area includes only a part of the Grayburg-Jackson Pool. The Unit Area is described in Exhibit "A" attached hereto. A portion of the unit is currently being waterflooded. A planned expansion would extend flood operations to all the unit.

(5) The "Unitized Formation" in the Burch Keely Unit comprises the interval from the top of the Seven Rivers formation to the base of the San Andres formation (which also corresponds with the vertical limits of the Grayburg-Jackson Pool) or to a true vertical depth of 5000 feet, whichever is lesser.

(6) The Grayburg-Paddock Pool was created by Order No. R-1042, dated August 29, 1957. The pool area is entirely within the boundaries of the Burch-Keely Unit. The Paddock formation is also known as the Glorieta Yeso. Only two wells ever produced from the Grayburg-Paddock Pool. Each recovered approximately 5000 barrels of oil and have now been plugged back to the Grayburg-Jackson pool. Four other wells within the Burch-Keely Unit have tested the Paddock formation with indications of production. Maps and cross-sections suggest that the Paddock may be productive all across the Burch-Keely Unit.

(7) Based on estimated recoveries from the Paddock, wells to develop only the Paddock would not be economically feasible. However, the cost of deepening Grayburg-Jackson wells to the Paddock formation could be justified providing the formations could be produced together as a single pool.

(8) If allowed to add the Paddock to the Grayburg-Jackson Pool vertical interval, the operator would keep the wells pumped off to prevent cross flow. The Paddock formation would not be flooded but produced water from the Paddock would be used for the Grayburg-Jackson waterflood. Compatibility tests indicate only minor scaling problems.

(9) The Bureau of Land Management is in agreement with this application and would modify the Unit Agreement to extend the unitized interval to include the Paddock formation.

(10) The top 500 feet of the Paddock formation is the interval which Marbob plans to develop.

(11) Offset operators and other interested persons were notified of this application but none appeared at the hearing to oppose it.

(12) Granting this application will permit Marbob to recover Paddock formation hydrocarbons which might otherwise remain in place.

IT IS THEREFORE ORDERED THAT:

(1) The Grayburg-Paddock Pool is hereby abolished.

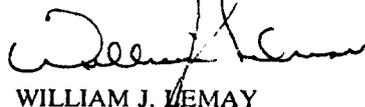
(2) Within the designated Burch-Keely Unit Area, as described in Exhibit "A" attached hereto, the vertical limits of the Grayburg-Jackson Pool are hereby amended to include that interval from the top of the Seven Rivers formation to 500 feet below the top of the Paddock formation, with the geologic markers for the tops of the Seven Rivers and Paddock formations being found to occur at 1365 feet and 4210 feet, respectively, in the Western Drilling Company, Grayburg Deep Unit Well No. 3 (renamed Marbob, Burch-Keely Unit "A" Well No. 27) located 660 feet from the South line and 660 feet from the East line of Section 18, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, as recorded on the Schlumberger Electric Log dated April 17 and June 20, 1956.

(3) The pool name within said Burch-Keely Unit Area is hereby changed from the Grayburg-Jackson Pool to the Grayburg-Jackson-Paddock Pool.

(4) 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



WILLIAM J. HEMAY  
Director

S E A L

**EXHIBIT "A"**  
**CASE NO. 10903**  
**ORDER NO. R-10067**

**Marbob Energy Corporation**  
**Burch-Keely Unit Area**  
**Grayburg-Jackson-Paddock Pool**

**Eddy County, New Mexico**

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**TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM**

Section 12: SE/4 SE/4  
Section 13: All  
Sections 23 through 26: All

**TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM**

Sections 18 and 19: All  
Section 30: All

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

NOMENCLATURE  
CASE NO. 10903  
ORDER NO. R-10067-A

APPLICATION OF MARBOB ENERGY CORPORATION  
FOR ABOLISHMENT OF THE GRAYBURG-PADDOCK  
POOL AND EXTENSION OF THE VERTICAL LIMITS  
OF THE GRAYBURG-JACKSON POOL, EDDY COUNTY,  
NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

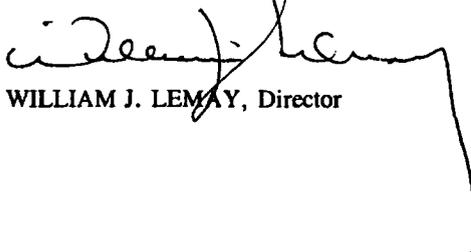
It appearing to the Division that Order No. R-10067 dated February 22, 1994 does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

- (1) Decretory Paragraph No. (3) on page 3 of said Order No. R-10067 is hereby deleted.
- (2) Exhibit "A" attached to said Order No. R-10067 is hereby amended to delete the words "-Paddock Pool".
- (3) The corrections set forth in this order be entered nunc pro tunc as of February 22, 1994.

DONE at Santa Fe, New Mexico, on this 1st day of March, 1994.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY, Director

S E A L