



Midland Division
Exploration and Production

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April 29, 1991

Mr. Jerry Sexton
Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88241

Dear Mr. Sexton:

Requested Administrative Contraction Of
The Warren Blinebry-Tubb Pool Created
By NMOCD Order R-9467

It is requested that the N/2 NE/4 Sec. 35, T-20S, R-38E (outlined in red on the attached map) be administratively deleted from the described acreage approved for the new Warren Blinebry-Tubb Pool (outlined in blue on the attached map) as established by Order R-9467. This would mean that these 80 acres would remain in the Blinebry Pool. This change would also require that the described acreage for simultaneous contraction of the Blinebry Pool, in the same order, be altered to include only the N/2 NW/4 for Sec. 35.

A new commingled pool, the Warren Blinebry-Tubb Pool, was created by NMOCD Order R-9467 for purposes of a commingled waterflood project in Conoco's Warren Unit, Lea County. This order, which was to be effective March 1, 1991, has been stayed by the OCD (Order R-9467-A), pending approval of the creation of a new commingled participating area by the BLM for this new pool area.

Conoco will be meeting with Armando Lopez of the Roswell BLM office on May 13, 1991 to present its justification and recommendations for the formation of this new participating area. Their approval of a new commingled participating area for the new pool would then clear the way for re-instating the OCD Order R-9467 at a new effective date. Conoco will appear on the May 16, 1991 docket to justify the stay order and to recommend a process for administrative re-instatement of the new pool order when BLM approval of the companion participating area is obtained.

One complication in establishing a new companion participating area to the new pool has been encountered in dealing with non-economic wells, for purposes of justifying their inclusion in participating areas. Any previously determined non-economic wells which are on adjacent locations to the waterflood and can be considered to be a part of an injection pattern will be considered economical for purposes of secondary recovery in this new participating area. Well Nos. 58 and 70 on the east and north perimeters of the project are examples of such cases.

BEFORE EXAMINER OIL CONSERVATION DIVISION
EXHIBIT NO. <u>3</u>
CASE NO. <u>10245</u>
Submitted by <u>Conoco Inc.</u>
Hearing Date <u>5-16-91</u>

EXHIBIT 3

However, Well Nos. 11 and 90 (Sec. 35) cannot be considered to be an integral part of the proposed waterflood expansion. Well No. 90 was not completed in the Tubb and produced only 4,000 BO from the Blinebry before being shut-in. Well No. 11 produced about 33,000 BO from the Blinebry only, but is too far removed from the waterflood project to be justified for the new participating area.

Since these two wells (90 and 11) cannot be justified for inclusion in the new commingled participating area and are unlikely to ever be included in the waterflood project, it should be more logical for these 80 acres to be eliminated from the proposed new pool and remain in the Blinebry Pool. This will result in the new pool and the new participating area being identical in configuration which will make production accounting less confusing for this area.

Thank you for you assistance and consideration in this matter.

Very truly yours,



Jerry W. Hoover
Regulatory Coordinator

JWH/tm