

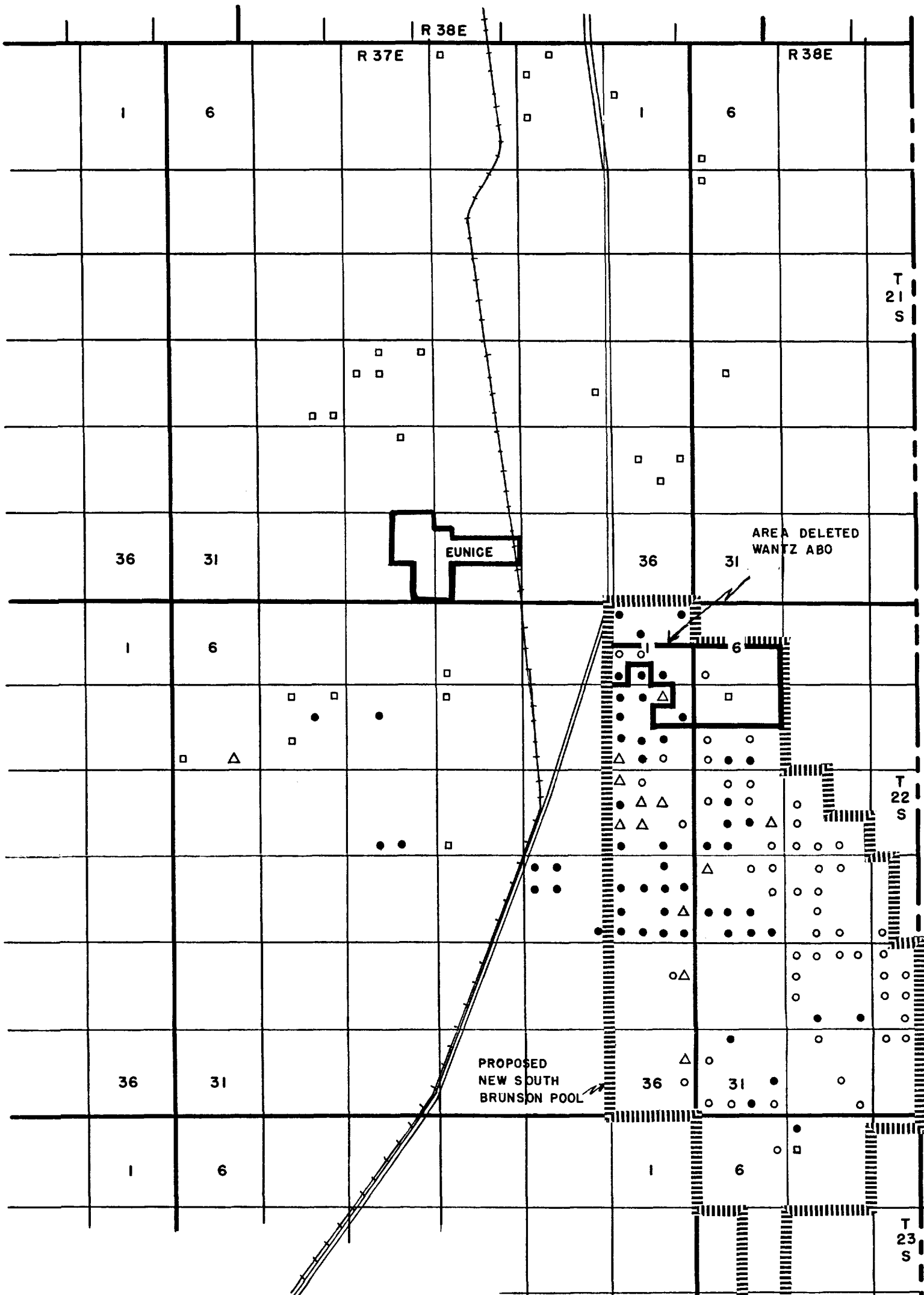
	PAGE
1) Plat showing wells more than 35' out of zone	A-1
2) Plat showing acreage to be abolished in the Amanda Gas Pool	B-1
3) Plat showing acreage to be contracted from the Drinkard Pool	C-1 to C-3
4) Plat showing acreage to be contracted from the Wantz Abo Pool	D-1 to D-2
5) Plat showing acreage to be included in the new South Brunson Drinkard Abo Pool	E-1 to E-3
6) Plat showing location of Type Cross-Section and new pools	F-1
7) Proposed additional pool rule for the Drinkard Pool	G-1
8) Proposed additional pool rule for the Wantz Abo Pool	H-1
9) Special pool rules for South Brunson Drinkard Abo Pool	I-1 to I-2
a) Allowable Determination South Brunson Drinkard Abo Pool	I-2
10) Wells to be Granted Exceptions	J-1 to J-5
a) LIST 1 Drinkard wells with perfs within 35' out of zone	J-1
b) LIST 2 Drinkard wells with perfs more than 35' out of zone	J-2
c) LIST 3 Wantz Abo wells producing out of zone	J-3
d) LIST 4 South Brunson Drinkard Abo wells within 35' into Tubb	J-4
e) LIST 5 South Brunson Abo wells more than 35' out of zone	J-5

BEFORE EXAMINER CATANACH

OIL CONSERVATION DIVISION

EXHIBIT NO. 2

CASE NO. 9237



- PRODUCING FROM ABO
 - PRODUCING FROM DRINKARD & ABO
 - PRODUCING FROM TUBB & DRINKARD
 - △ PRODUCING FROM TUBB, DRINKARD & ABO
- WELLS MORE THAN 35' OUT OF ZONE

B

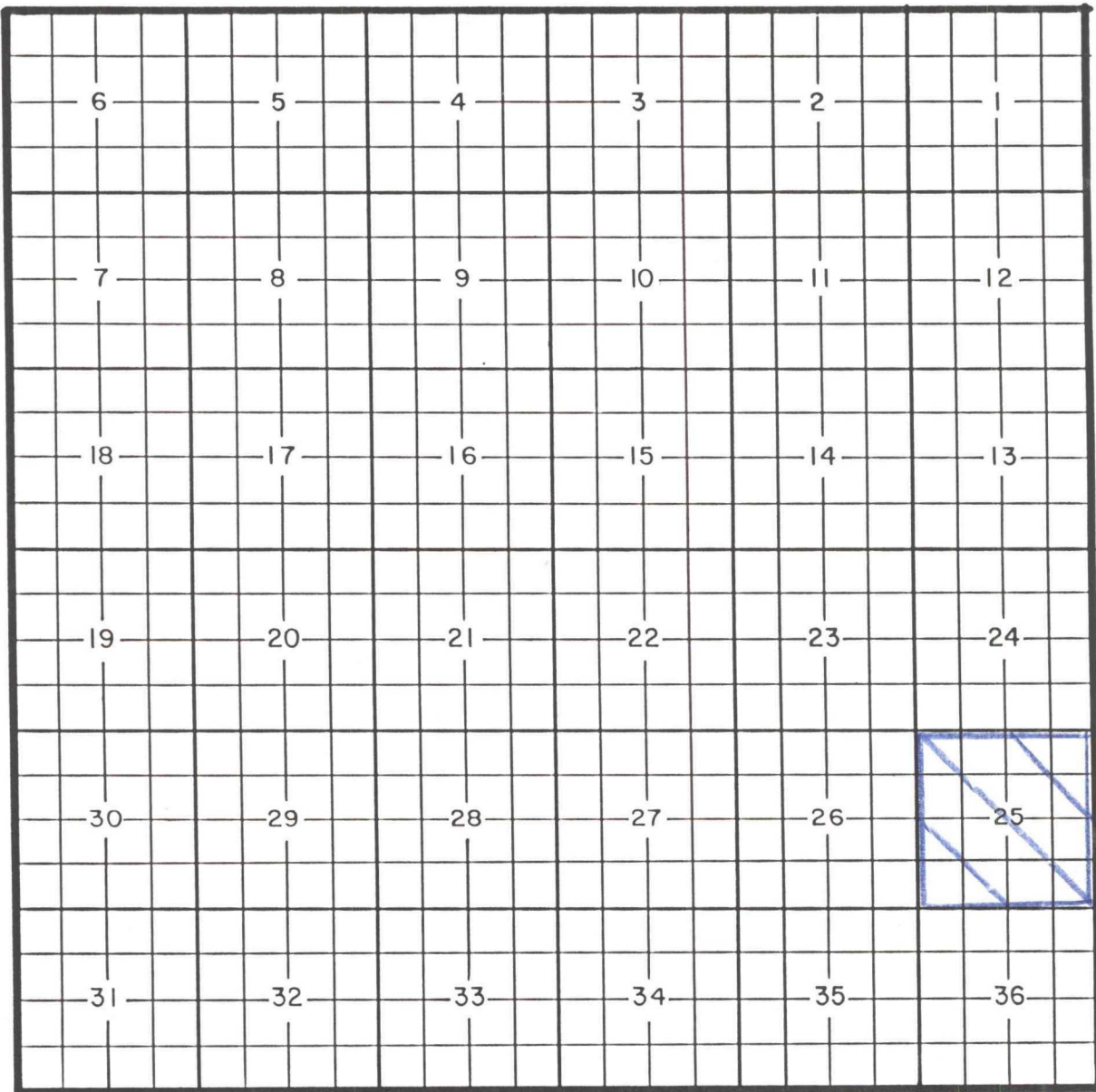
COUNTY LEA

POOL AMANDA GAS

TOWNSHIP 22 South

RANGE 37 East

NMPM

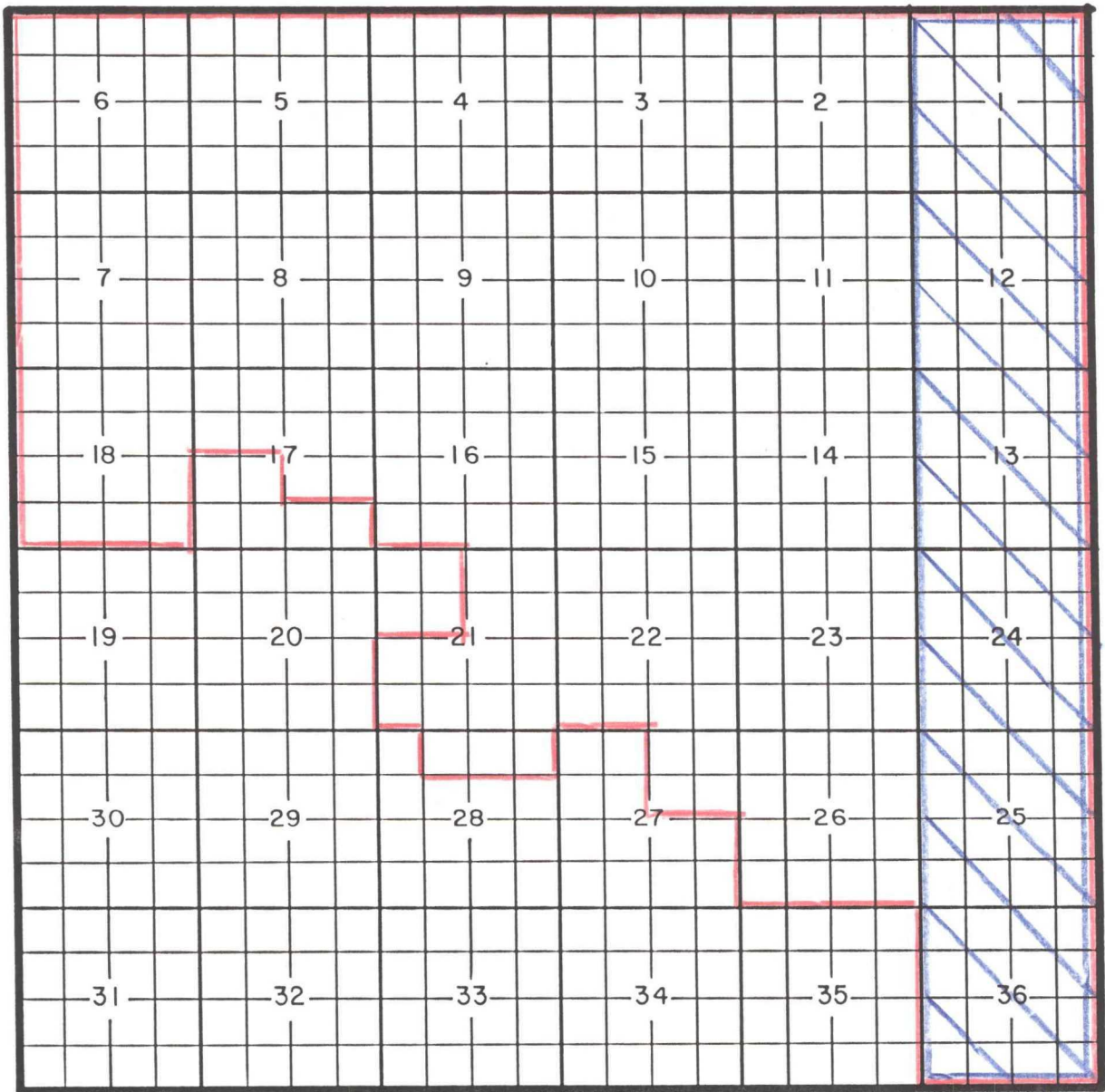


This acreage to be included in the South Brunson-Drinakrd Abo Pool

Pool boundary outlined in blue.

TOWNSHIP 22 South RANGE 37 East

NMPM



Deleted acreage to be included in the South Brunson-Drinkard Abo Pool

Pool boundary outlined in red.

Proposed pool contraction outlined in blue. Section 1: All

Section 12: All

Section 13: All

Section 24: All

Section 25: All

Section 36: All

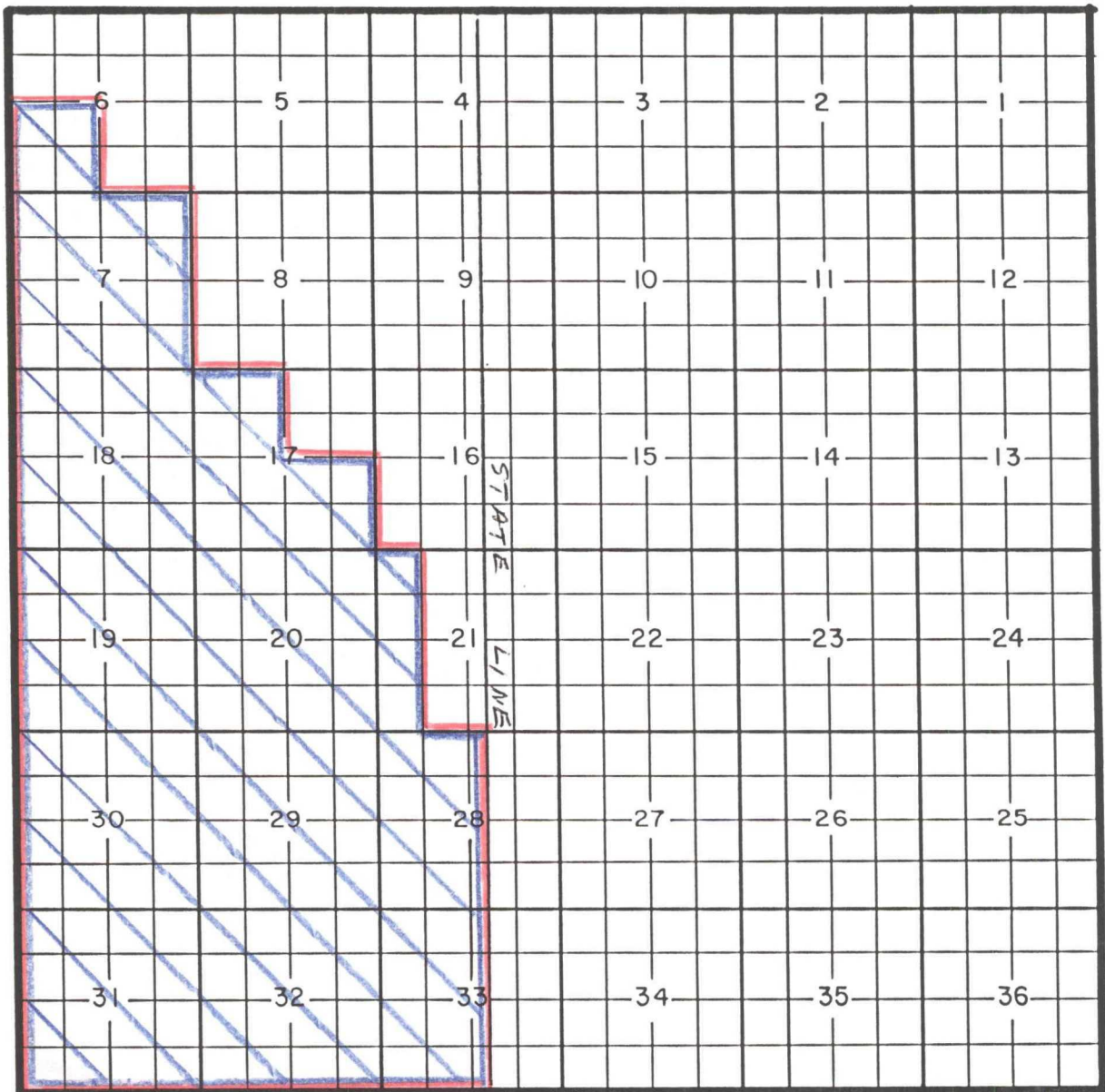
COUNTY LEA

POOL DRINKARD

TOWNSHIP 22 South

RANGE 38 East

NMPM



Deleted acreage to be included in the South Brunson-Drinkard Abo Pool

Pool boundary outlined in red.

Proposed pool contraction outlined in blue. Section 6: SW/4

Section 17: SE/4 and W/2

Section 21: W/2 W/2

Section 28: W/2 W/2 & Lots 1,2,3, & 4

Section 33: W/2 W/2 & Lots 1,2,3, & 4

All of Sections: 7,18,19,20,29,30,31 & 32

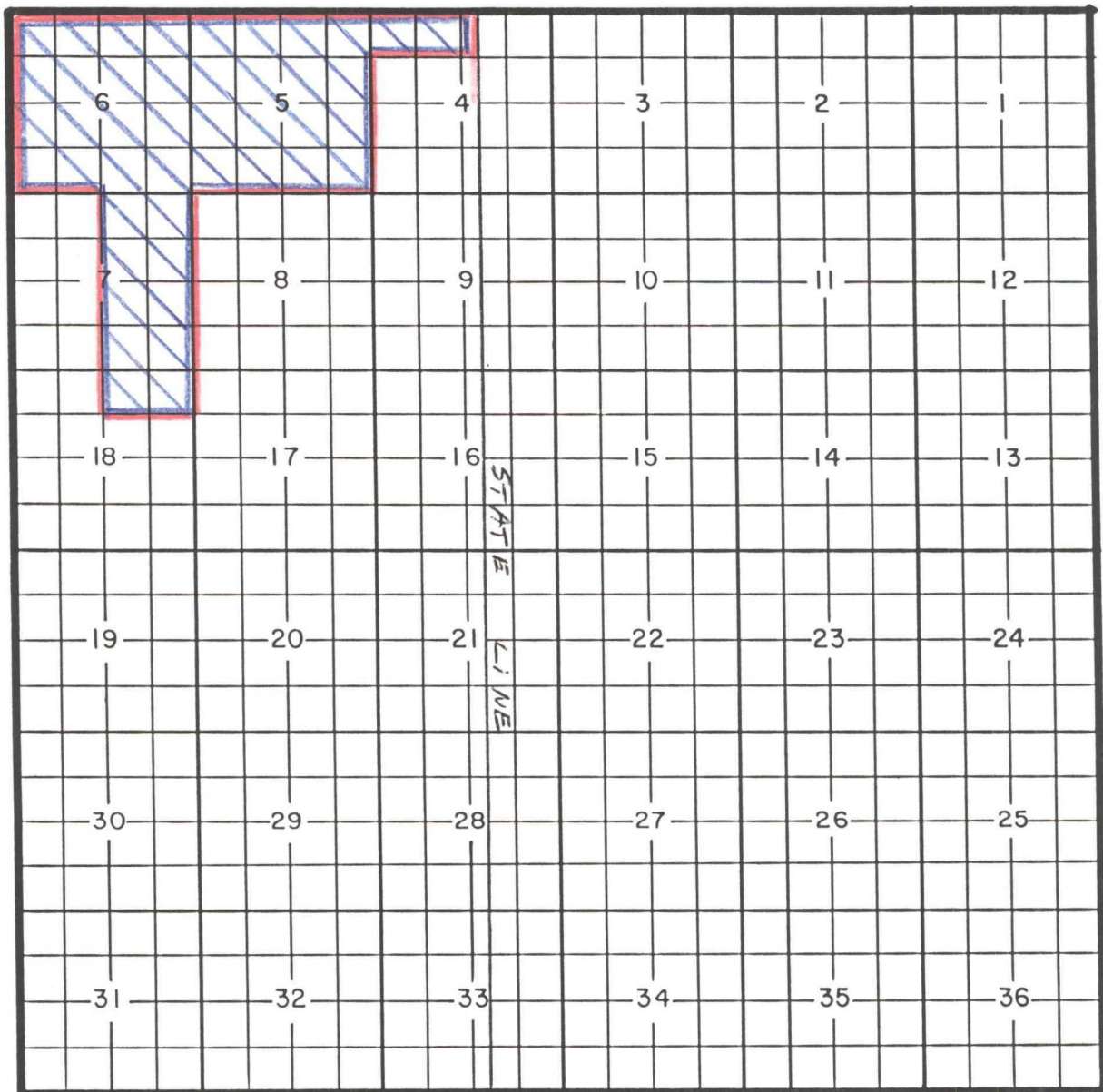
COUNTY LEA

POOL DRINKARD

TOWNSHIP 23 South

RANGE 38 East

NMPM



Deleted acreage to be included in the South Brunson-Drinkard Abo Pool

Pool boundary outlined in red.

Proposed pool contraction outlined in blue. Section 4: Lots 2 & 3

Section 5: All

Section 6: All

Section 7: E/2

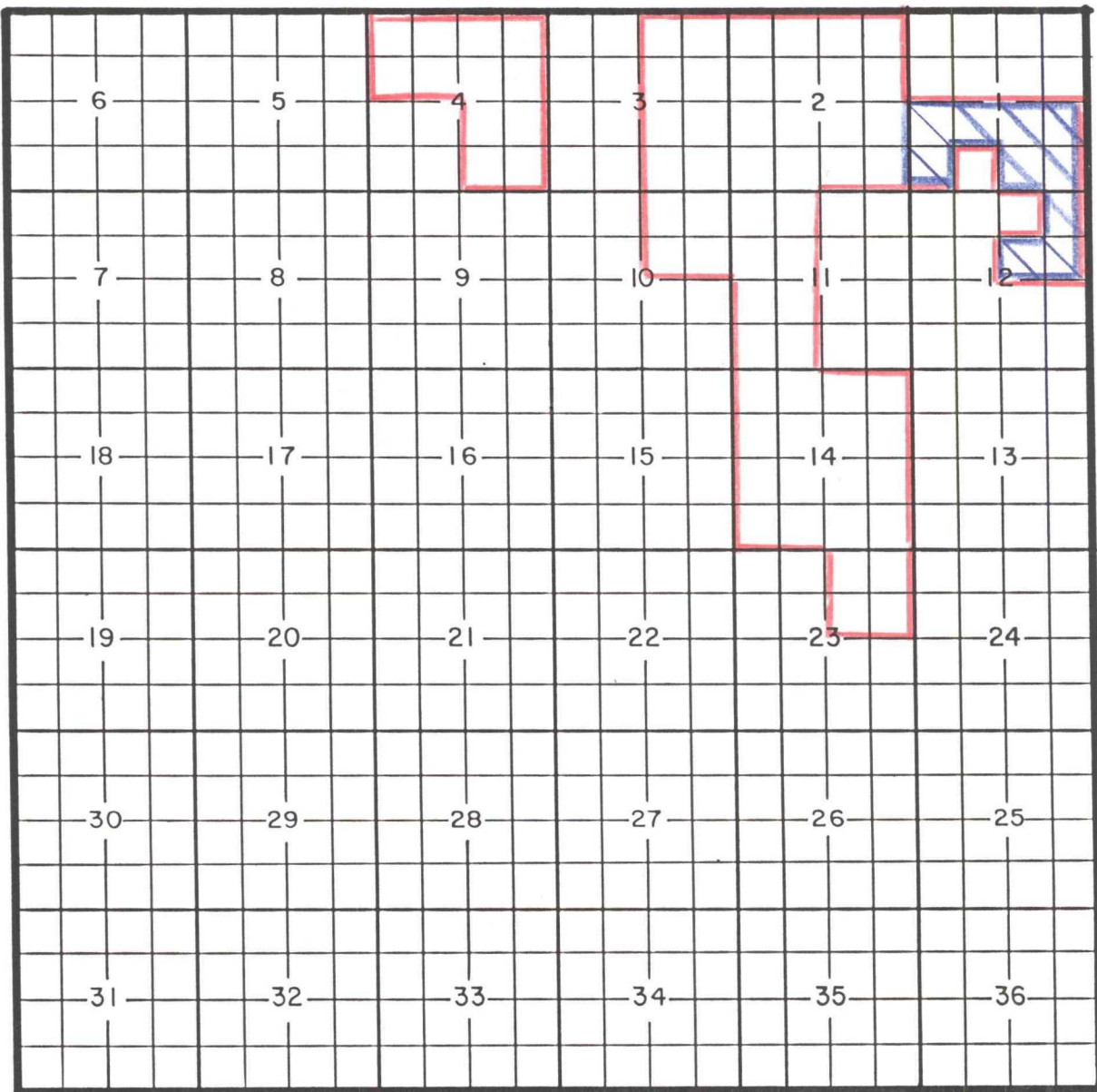
Section 18: N/2 NE/4

D

TOWNSHIP 22 South

RANGE 37 East

NMPM



Deleted acreage to be included in the South Brunson-Drinkard Abo Pool

Pool boundary outlined in red.

Proposed pool construction outlined in blue. Section 1: SE/4, W/2 SW/4 & NE/4 SW/4

Section 12: S/2 NE/4, NE/4 NE/4

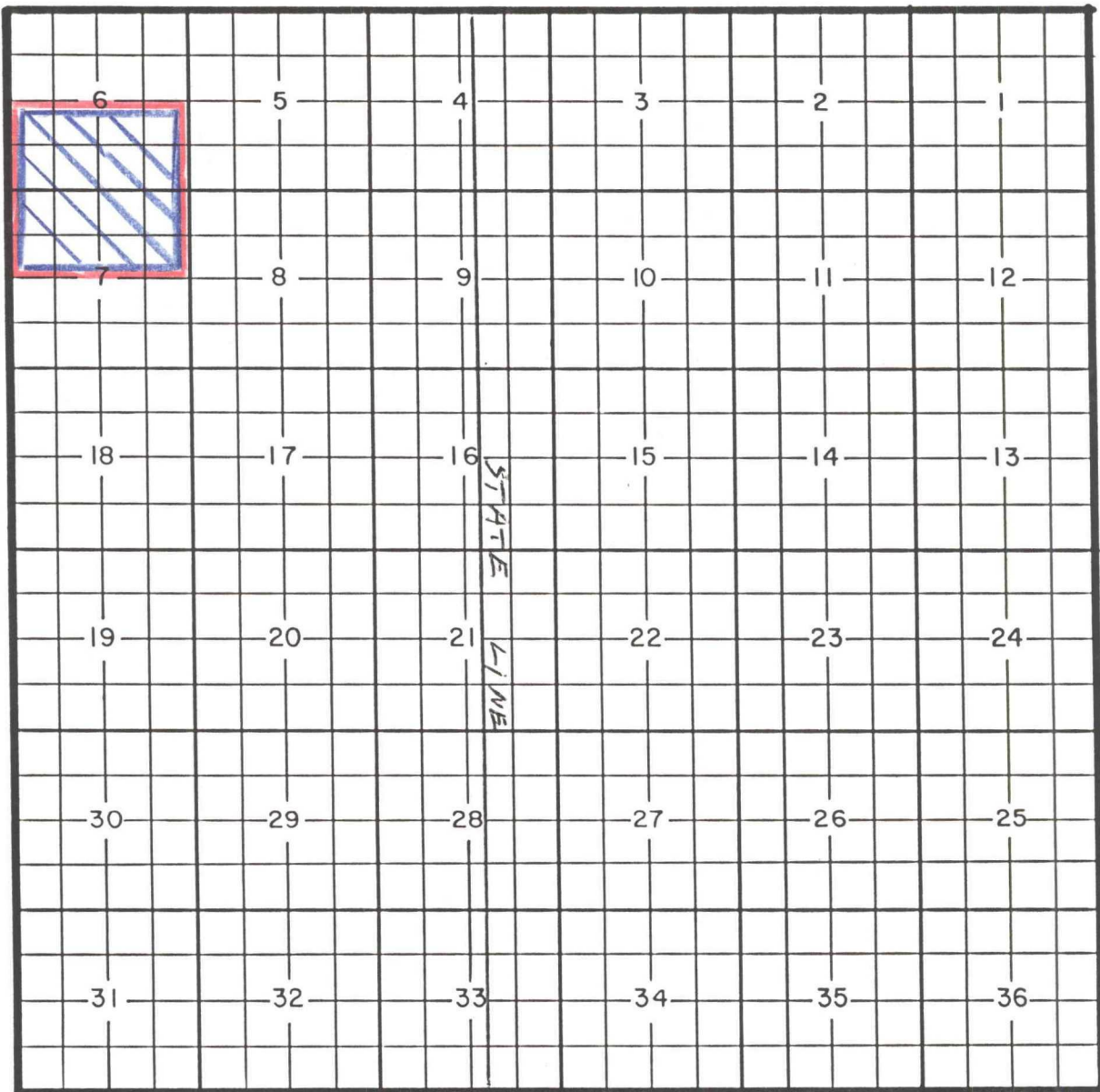
COUNTY LEA

POOL WANTZ-ABO

TOWNSHIP 22 South

RANGE 38 East

NMPM



Deleted acreage to be included in the South Brunson-Drinkard Abo Pool

Pool boundary outlined in red.

Proposed pool contraction outlined in blue. Section 6: S/2

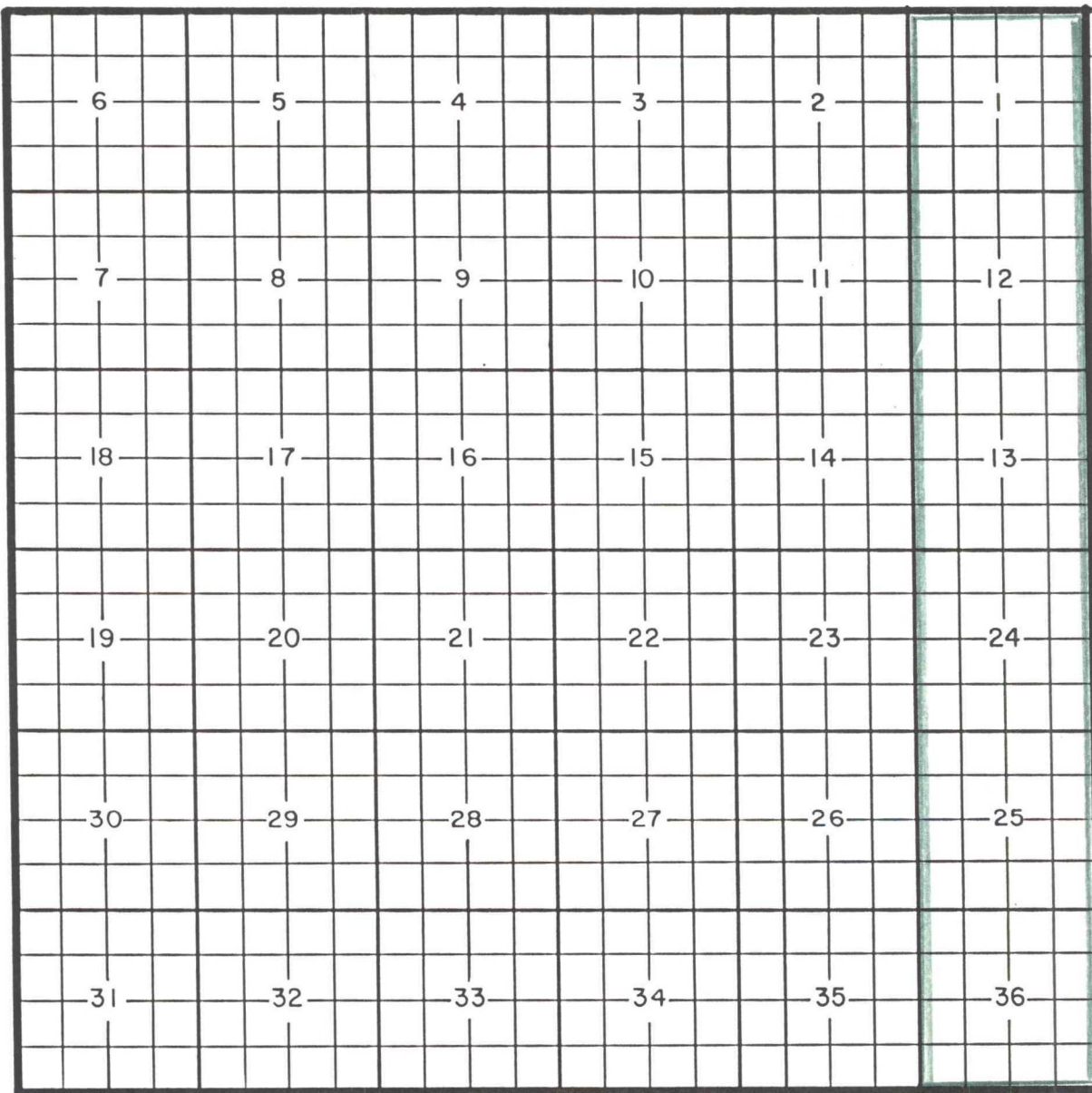
Section 7: N/2

E

TOWNSHIP 22 South

RANGE 37 East

NMPM



Extend the horizontal and vertical limits of the South Brunson-Abo Pool to include the Drinkard formation and redesignate the pool to the South Brunson-Drinkard Abo Pool.

Pool boundary outlined in red.

Proposed pool extension outlined in green.

Section 1: All

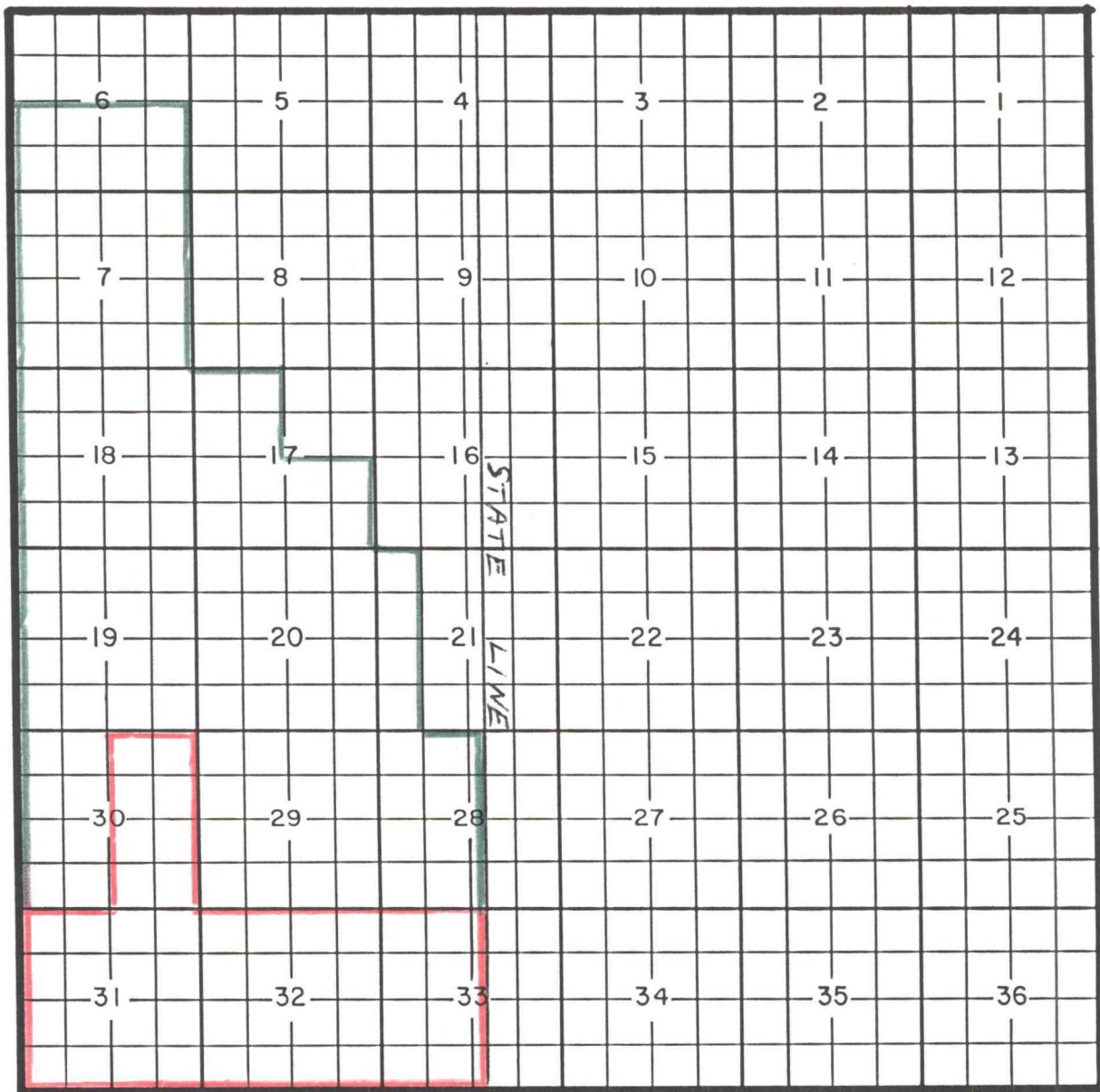
Section 24: All

Section 12: All

Section 25: All

Section 13: All

Section 36: All



Vertical limits extended and redesignation as outlined on T22S, R37E Plat

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 6: S/2

Section 17: SE/4 & W/2

Section 21: W/2 W/2

Section 28: W/2 W/2 & Lots 1,2,3, & 4

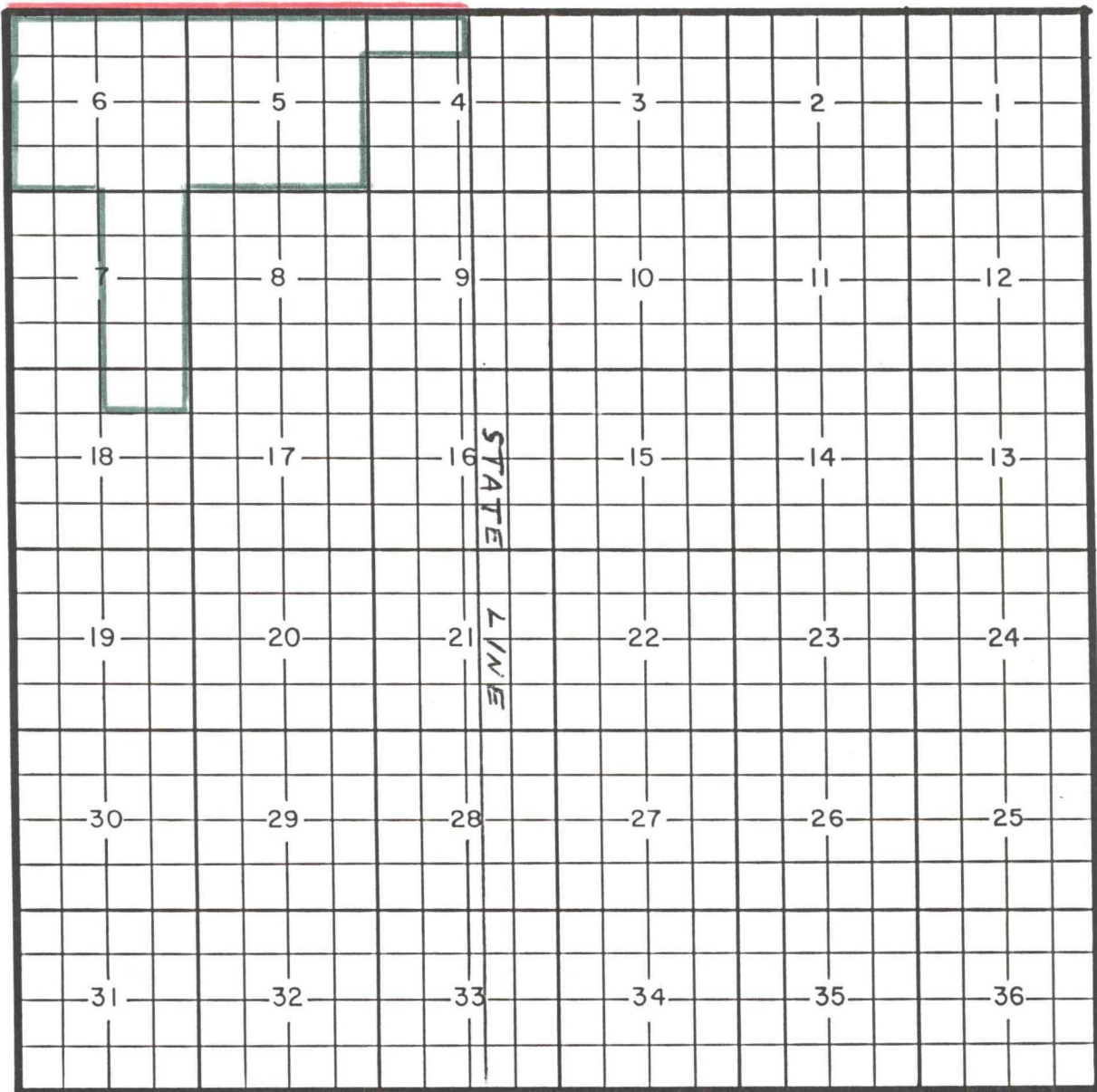
Section 30: W/2

All of Section: 7, 18, 19, 20, & 29

TOWNSHIP 23 South

RANGE 38 East

NMPM



Vertical limits extended and redesignation as outlined on T22S, R37E Plat

Pool boundary outlined in red.

Proposed pool extension outlined in green. Section 4: Lots 2 & 3

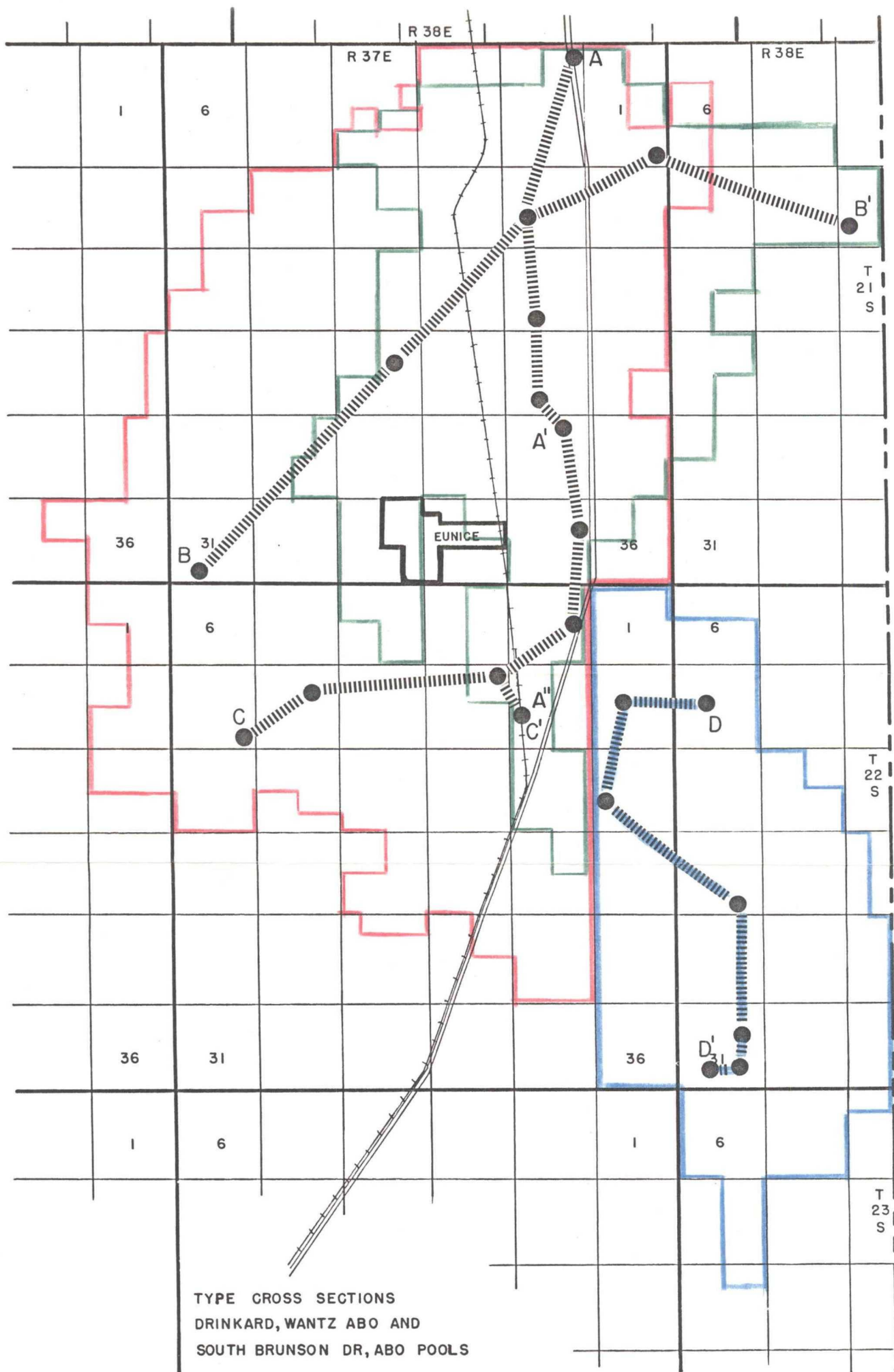
Section 5: All

Section 6: All

Section 7: E/2

Section 18: N/2 NE/4

F



Special Pool Rules - Drinkard

- 1) In addition to special pool rules already established for the Drinkard pools, the following special rules are established.
 - a) Designate cross-sections AA', A'A'', BB', and CC' as type cross-sections for the Drinkard Pool. All future completions and recompletions of wells must conform to the type cross-sections.
 - b) Order R-4635 granted approval to Drinkard wells with perforations not more than 35 feet upward into the lowermost portion of the Tubb Gas Pool. Revise this to include Drinkard wells with perforations not more than 35 feet downward into the uppermost portion of the Wantz Abo Pool. (see List 1)
 - c) Over the years, several wells have been perforated more than 35' out of zone. It would be uneconomical to require that these zones be squeezed. An exception will be granted for these wells listed in List 2. The operator of any wells which may be out of zone in accordance with the type cross-sections and omitted from Lists 1 and 2 shall have 60 days to apply for an exception to the vertical limits from the Hobbs district office. To obtain such letter of approval, the operator of a well shall request same in writing. A copy of the request shall be furnished to offset operators to the subject well. The District Supervisor, in the absence of objection and if he deems same prudent, may issue the letter of approval. Otherwise, the matter will be set for hearing if the applicant so requests.

Special Pool Rules - Wantz Abo

1) In addition to special pool rules already established

for the ~~Drinkard~~ ^{Wantz Abo} pools, the following rules are established.

a) Designate cross-sections AA', A'A", BB', and CC' as type cross-sections for the Wantz Abo Pool.

b) Grant approval to Wantz Abo wells with perforations not more than 35 feet upward into the lowermost portion of the Drinkard Pool. (see List 3)

All future completions and recompletions will be required to comply with the formation tops defined on the type cross-sections.

c) The operator of any well which may be out of zone in accordance with the type cross-section and omitted from List 3 shall have 60 days to apply for an exception to the vertical limits from the Hobbs district office. To obtain such letter of approval, the operator of a well shall request same in writing. A copy of the request shall be furnished to offset operators to the subject well.

60 days
written request

The District Supervisor, in the absence of objection and if he deems same prudent, may issue the letter of approval. Otherwise, the matter will be set for hearing if the applicant so requests.

R-5431

Present order

Special Pool Rules - South Brunson Drinkard Abo Pool

- 1) Designate cross-section DD' as the type cross-section for the South Brunson Drinkard Abo Pool. Require that all future completions and recompletions comply with type cross-section.
- 2) Order R-4635 granted approval to Drinkard wells with perforations not more than 35 feet upward into the lowermost portion of the Tubb Gas Pool. Therefore, the wells listed in List 4 are granted exceptions. There are 3 wells perforated more than 35 feet into the Tubb Gas Pool. It would be uneconomical to require that these zones be squeezed. An exception is granted for these wells listed in List 5.
- 3) The operator of any well which may be out of zone in accordance with the type cross-section and omitted from Lists 4 and 5 shall have 60 days to apply for an exception to the vertical limits from the Hobbs district office. To obtain such letter of approval, the operator of a well shall request same in writing. A copy of the request shall be furnished to offset operators to the subject well. The District Supervisor, in the absence of objection and if he deems same prudent, may issue the letter of approval. Otherwise, the matter will be set for hearing if the applicant so requests.
- 4) Establish a GOR limit of 6000 for the South Brunson Drinkard Abo Pool. This is the same GOR limit currently in effect for the Drinkard and Wantz Abo Pools.

5) Allowable Determination

In the event different operators may have the rights to Drinkard and Abo formations within the same proration unit, the allowable will be determined based on the following.

- a) If the combined production total of both wells exceeds the top allowable, the allowable for each well will be determined based on percentage.

% Allowable Formulas

$$\text{Allowable Drinkard Formation} = 142 \left(\frac{A}{A+B} \right)$$

$$\text{Allowable Abo Formation} = 142 \left(\frac{B}{A+B} \right)$$

Where A = amount produced from Drinkard formation during the annual 24 hour test

B = amount produced from Abo formation during the annual 24 hour test

After % allowable determined, any limit based on GOR will be applied.

- b) If the combined production total of both wells is equal to or less than the top allowable, the allowable will be based on the number of barrels produced during the 24 hour test minus any limit, if applicable, based on GOR.
- c) The results of the GOR test will be used for annual 24 hour oil production test. The operator having the right to the other zone shall have the right to witness these tests. A change in allowable may be requested by submitting a new C-116 to the Hobbs district office. The other operator shall be notified prior to testing and shall have the right to witness the test.

LIST 1

DRINKARD POOL STUDY, WELLS OUT OF ZONE BY OPERATOR, PERFS WITHIN 35' OUT OF ZONE

<u>OPERATOR</u>	<u>LEASE</u>	<u>NUM</u>	<u>U</u>	<u>SEC</u>	<u>TWN</u>	<u>s</u>	<u>RNG</u>	<u>e</u>	<u>OPEN PERFS</u>
Amerada Hess	E Wood	9	G	22	22	s	37	e	6234-6441
"	E W Walden	7	N	15	22	s	37	e	6282-6386
"	State DA	4	I	16	21	s	37	e	6406-6501
ARCO O & G	Roy Barton	2	B	23	21	s	37	e	6407-6595
"	State 157 D	9	P	12	22	s	36	e	6490-6611
"	State 367	1	M	36	21	s	37	e	6297-6489
Campbell & Hedrick	W E Lee	3	C	20	21	s	37	e	6450-6604
Chevron USA	CDU	427	G	29	21	s	37	e	6370-6488
"	"	429	G	32	21	s	37	e	6319-6504
"	"	431	K	33	21	s	37	e	6290-6311
"	"	432	P	29	21	s	37	e	6297-6360
"	Eubank	2	A	22	21	s	37	e	6360-6432
"	"	4	H	22	21	s	37	e	6356-6444
"	H T Mattern NCT-B	17	C	31	21	s	37	e	6488-6731
"	R E Cole NCT-A	4	A	16	22	s	37	e	6318-6584
"	"	11	J	16	22	s	37	e	6325-6572
Cities Service O & G	Brunson B	2	K	3	22	s	37	e	6302-6565
Conoco	Elliott B-15	1	G	15	22	s	37	e	6253-6321
"	Hawk A	8	A	8	21	s	37	e	6573-6770
"	Hawk B-1	16	N	8	21	s	37	e	6533-6790
"	Lockhart B-13 A	9	N	13	21	s	37	e	6578-6873
Elliott Oil	Elliott B	4	L	1	21	s	37	e	6664-6962
Exxon	F F Hardison B	3	G	34	21	s	37	e	6303-6394
"	"	5	O	27	21	s	37	e	6288-6570
Hartman, Doyle	Will Cary	5	F	22	22	s	37	e	6266-6349
"	"	8	L	22	22	s	37	e	6297-6386
Hendrix, John H.	Brunson C	4	J	3	22	s	37	e	6475-6561
"	"	5	O	3	22	s	37	e	6249-6544
"	"	6	I	3	22	s	37	e	6450-6550
"	S E Long	2	J	11	22	s	37	e	6206-6475
Martindale	Little V	4	P	7	22	s	37	e	6375-6612
Shell	Livingston	3	W	3	21	s	37	e	6450-6750
"	State 15	4	H	15	21	s	37	e	6397-6663
Summit Energy	Gulf Drinkard	1	M	30	22	s	38	e	6246-6480
Texaco	A H Blinebry NCT-2	2	N	29	22	s	38	e	6338-7368
"	C P Falby A	3	F	8	22	s	37	e	6343-6555
"	C P Falby B	4	L	8	22	s	37	e	6353-6536

LIST 2

DRINKARD POOL STUDY, WELLS WITH PERFS MORE THAN 35' OUT OF DRINKARD POOL

<u>OPERATOR</u>	<u>LEASE</u>	<u>NUM</u>	<u>U</u>	<u>SEC</u>	<u>TWN</u>	<u>s</u>	<u>RNG</u>	<u>e</u>	<u>OPEN PERFS</u>
Amerada Hess	E W Walden	6	M	15	22	s	37	e	6273-6383
Amoco	Grizzell B	4	G	8	22	s	37	e	6423-6686
ARCO O & G	S J Sarkeys	3	I	23	21	s	37	e	6280-6672
Bravo Operating	Federal 7	1	D	7	21	s	38	e	6597-7015
Campbell & Hedrick	Elliott	2	H	6	23	s	38	e	6763-6798
Chevron USA	CDU	411	B	28	21	s	37	e	6311-6554
"	Evelyn Lineberry	3	L	29	22	s	38	e	6630-7163
"	R E Cole NCT-A	9	N	16	22	s	37	e	6357-6887
"	"	13	O	16	22	s	37	e	6453-6889
"	Scarborough Estate	3	I	31	22	s	38	e	6354-6844
"	T R Andrews	3	J	32	22	s	38	e	6890-7064
"	"	7	P	32	22	s	38	e	6932-7087
"	Watkins	2	P	29	22	s	38	e	6407-7135
Cities Service O & G	Brunson B	3	M	3	22	s	37	e	6228-6490
Conoco	Lockhart B-14 A	1	H	14	21	s	37	e	6487-6563
Hendrix, John H	Cossatot F	3	D	23	22	s	37	e	6201-6930
"	"	4	F	23	22	s	37	e	6190-6897
"	"	5	E	23	22	s	37	e	6233-7148
"	Western Fed	1	D	5	23	s	38	e	6536-6982
Hunt, N B	Weatherly	2	D	21	21	s	37	e	6280-6318
"	"	3	C	21	21	s	37	e	6228-6600
"	"	5	E	21	21	s	37	e	6338-6636
"	"	6	F	21	21	s	37	e	6323-6612
Kirby Exploration	Art Yeager	1	J	25	21	s	37	e	6532-6904
"	Elliott Fields	1	U	6	21	s	38	e	6722-7048
"	Gulf Sarkeys	2	F	25	21	s	37	e	6475-6849
"	McAllister	1	C	7	22	s	38	e	6481-6859
"	Rosa Lee Fed	1	F	19	21	s	38	e	6712-6938
"	Royalty Holding	3	H	25	21	s	37	e	6643-7073
MKA Oil Prop.	Penrose	1	F	9	22	s	37	e	6278-7046
Southland Royalty	State	1	M	2	21	s	37	e	6495-6623
"	"	2	E	2	21	s	37	e	6525-6795
"	"	7	C	2	21	s	37	e	6538-6866
Summit Energy	Drinkard Estate	4	H	25	22	s	37	e	6205-7166
"	"	7	H	25	22	s	37	e	6662-7264
Sun E & P	Eva Owens	1	D	3	22	s	37	e	6235-6554
Texaco	C P Falby A	1	C	8	22	s	37	e	6310-6565
"	C P Falby B	1	K	8	22	s	37	e	6327-6538
Texan Petroleum	Lineberry	1	E	5	23	s	38	e	6231-6635
Wagner & Brown	Walden	1	A	21	22	s	37	e	6236-6540
Yarborough, W B	L E Grizzell	3	A	8	22	s	37	e	6251-6376

LIST 3

WANTZ ABO POOL. WELLS PRODUCING OUT OF ZONE

<u>OPERATOR</u>	<u>LEASE</u>	<u>NUM</u>	<u>U</u>	<u>SEC</u>	<u>TWN</u>	<u>s</u>	<u>RNG</u>	<u>e</u>	<u>OPEN</u>	<u>PERFS</u>
ARCO O & G	Eva Owens	4	N	25	21	s	37	e	6717-7228	
Chevron USA	S J Sarkeys	2	E	25	21	s	37	e	6749-7361	
Conoco	Hawk B-10	4	H	10	21	s	37	e	6721-7366	
"	Lockhart B-11	3	E	11	21	s	37	e	6727-7370	
Exxon	Wantz Fed	4	Q	1	21	s	37	e	7068-7693	
Marathon	Mark Owen	8	M	35	21	s	37	e	6524-7011	

LIST 4

SOUTH BRUNSON DRINKARD, ABO WELLS 35' WITHIN TUBB POOL

<u>OPERATOR</u>	<u>LEASE</u>	<u>NUM</u>	<u>U</u>	<u>SEC</u>	<u>TWN</u>	<u>s</u>	<u>RNG</u>	<u>e</u>	<u>OPEN PERFS</u>
Hanson Operating	Max Gutman	7	D	19	22	s	38	e	6270-7135
Hendrix, John H	Cossatot A	1	B	12	22	s	37	e	6310-6916
"	Cossatot B	2	M	12	22	s	37	e	6247-6980
"	Cossatot C	4	O	24	22	s	37	e	6218-7090
"	Cossatot G	1	F	13	22	s	37	e	6246-7014
"	Cossatot H	1	L	13	22	s	37	e	6233-6981
"	Cossatot H	2	K	13	22	s	37	e	6262-7095
"	Cossatot I	1	D	13	22	s	37	e	6233-6968
"	Lee	2	P	23	22	s	37	e	6255-6886
Texaco	C H Lockhart Fed NCT-1	9	I	18	22	s	38	e	6411-7210

LIST 5

SOUTH BRUNSON ABO. DRINKARD WELLS MORE THAN 35' OUT OF ZONE

<u>OPERATOR</u>	<u>LEASE</u>	<u>NUM</u>	<u>U</u>	<u>SEC</u>	<u>TWN</u>	<u>s</u>	<u>RNG</u>	<u>e</u>	<u>OPEN</u>	<u>PERFS</u>
Exxon	N G Penrose	3	G	13	22	s	37	e	6256-6953	
Hendrix, John H	Cossatot C	2	I	24	22	s	37	e	6225-6909	
Phillips	New Mexico D	1	H	36	22	s	37	e	6036-6730	

New



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

MEMORANDUM TO:

FROM: Jerry Sexton, Supervisor - District I

DATE: October 9, 1987

At the last meeting on the Drinkard, Wantz Abo and South Brunson pools held on September 16, 1987, we discussed the proposed rule changes and proposed cross-sections. There were no objections to the proposed changes which were included in the letter dated August 13, 1987. Therefore, it was decided to ask for a hearing. These changes will be presented at the Examiner Hearing scheduled for October 21, 1987, in Case 9237 at Santa Fe, New Mexico.

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
DCP EXHIBIT NO. 3
CASE NO. 9237