

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. 10886
ORDER NO. R-10063

APPLICATION OF EXXON CORPORATION FOR ACREAGE REORIENTATION
AND FOR TWO NON-STANDARD GAS PRORATION UNITS, LEA 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 16th 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 seeks approval to reorient the existing acreage currently dedicated in the Blinebry Gas Pool to its New Mexico "S" State Well No. 12, being the 79.50 acres comprising Lots 1 and 2 (N/2 NE/4 equivalent) of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico and its New Mexico "S" State Well No. 14; being the 39.76 acres comprising Lot 3 (NE/4 NW/4 equivalent) of said Section 2, both non-standard units previously approved by Division Administrative Orders NSP-954-A and NSP-1599, respectively.
- (3) The applicant now proposes to combine Lots 2 and 3 (the NW/4 NE/4 and NE/4 NW/4 equivalents) of said Section 2 to form a non-standard 79.52-acre gas spacing and proration unit in the Blinebry Gas Pool for the No. 14 well located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 2 and to dedicate the remaining 39.74 acres comprising Lot 1 (NE/4 NE/4 equivalent) to the No. 12 well located 660 feet from the North and East lines (Unit A) of said Section 2.

(4) Pool rules for the Blinebry Oil and Gas Pool provide for standard gas proration units of 160 acres with each gas well located not nearer than 660 feet to the outer boundary of its proration unit or of the quarter section and not nearer than 330 feet to any governmental quarter-quarter section or subdivision line.

(5) Applicant's witness testified that Well No. 14 is expected to be reclassified from oil to gas because of additional perforations and a fracture treatment. The well is expected to exceed the allowable resulting from the acreage currently dedicated to it. The non-standard 79.52-acre gas proration unit described in Finding Paragraph No. (3) is therefore requested for Well No. 14.

(6) Applicant's witness also requested that the 39.74-acre non-standard gas proration unit described in Finding Paragraph No. (3) be dedicated to Well No. 12. Although Well No. 12 is a gas well, production from the well does not exceed a 40-acre allowable.

(7) Exhibits were presented at the hearing to show that the proposed gas proration units are located wholly within Exxon's New Mexico "S" State lease.

(8) Applicant's witness provided information to show that all offset operators had been notified and that waivers had been received from three of the offset operators.

(9) No offset operator or other interested party appeared at the hearing in opposition to the proposed gas proration units.

(10) Approval of the requested gas proration units will afford the applicant the opportunity to recover its just and equitable share of hydrocarbons in the Blinebry Oil and Gas Pool and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Exxon Corporation, is hereby authorized to reorient the existing acreage currently dedicated in the Blinebry Gas Pool to its New Mexico "S" State Wells Nos. 12 and 14 in Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) The applicant is authorized to combine Lots 2 and 3 (NW/4 NE/4 and NE/4 NW/4 equivalents) of said Section 2 to form a non-standard 79.52-acre gas spacing and proration unit in the Blinebry Gas Pool to be dedicated to Well No. 14 located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 2 and to dedicate the remaining 39.74 acres comprising Lot 1 (NE/4 NE/4 equivalent) to the No. 12 well located 660 feet from the North and East lines (Unit A) of said Section 2.

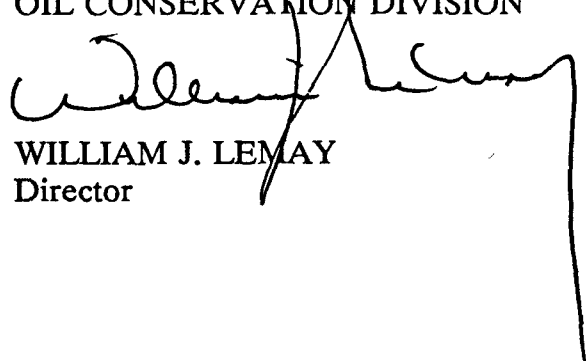
Case No. 10886
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Page No. 3

(3) Administrative Orders Nos. NSP-954-A and NSP-1599 are hereby superseded by this order.

(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. LEMAY
Director

SEAL



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

December 21, 1999

Exxon Company, U.S.A.
P. O. Box 4358
Houston, Texas 77210-4358
Attention: Charlotte Harper

***Reinstatement of Division Administrative
Orders NSP-1599 and NSP-1667 (L)***

Dear Ms. Harper:

Reference is made to the following: (i) your two initial applications dated May 28, 1999; (ii) the New Mexico Oil Conservation Division's ("Division") response to both applications by letter dated June 7, 1999 from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer in Santa Fe withdrawing these applications; (iii) your re-submittal of both applications to the Division on August 10, 1999; and (iv) the Division's records in Santa Fe: all concerning Exxon Company, U.S.A.'s ("Exxon") request to:

- (1) reinstate Division Administrative Order NSP-1599, dated April 18, 1990, which established a non-standard 39.76-acre gas spacing and proration unit in the Blinebry Oil and Gas Pool comprising Lot 3 (Unit C) of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, for Exxon's New Mexico "S" State Well No. 14 (API No. 30-025-09948), located at a standard gas well location for this unit 660 feet from the North line and 1980 feet from the West line of Section 2;
- (2) reinstate Division Administrative Order NSP-1667, dated May 3, 1993, which established a non-standard 80-acre gas spacing and proration unit in the Blinebry Oil and Gas Pool comprising the SW/4 NW/4 and the NW/4 SW/4 of Section 2; and
- (3) simultaneously dedicate the above-described 80-acre non-standard gas spacing and proration unit to Exxon's: (i) New Mexico "S" State Well No. 21 (API No. 30-025-09970), located at an unorthodox gas well location 1980 feet from the South line and 500 feet from the West line (Unit L) of Section 2; and (ii) New Mexico "S" State Well No. 38 (API No. 30-025-25508), located at a standard gas well location for this unit 2100 feet from the North line and 660 feet from the West line (Unit E) of Section 2.

By Division Administrative Order NSP-1771, dated March 21, 1997, and Corrected Administrative Order NSP-1771, dated March 28, 1997:

- (i) a non-standard 40-acre gas spacing and proration unit, comprising the SW/4 NW/4 (Unit E) of Section 2 was formed for the above-described New Mexico State "S" Well No. 38; and
- (ii) placed Division Order No. R-10579, issued in Case No. 11479 and dated April 9, 1996, which order established a 159.92-acre non-standard gas spacing and proration unit in the Blinebry Oil and Gas Pool comprising Lots 2 and 3 and the S/2 NW/4 of Section 2 and authorized the simultaneous dedication of this acreage to Exxon's: (i) above-described New Mexico "S" State Well No. 14 in Lot 3/Unit C of Section 2; (ii) New Mexico "S" State Well No. 28 (**API No. 30-025-25268**), located at an unorthodox gas well location 2160 feet from the North line and 1800 feet from the West line (Unit F) of Section 2; and (iii) above-described New Mexico "S" State Well No. 38 in Unit E of Section 2, in abeyance until further notice.

By Division Administrative Order NSP-1770, dated March 21, 1997 two non-standard 40-acre gas spacing and proration units were formed in the SW/4 of Section 2:

- (i) the SE/4 SW/4 (Unit N) was established and dedicated to Exxon's New Mexico "S" State Well No. 7 (**API No. 30-025-09956**), located at a standard gas well location 660 feet from the South line and 1980 feet from the West line of Section 2; and
- (ii) the NW/4 SW/4 (Unit L) was established and dedicated to Exxon's New Mexico "S" State Well No. 21 (**API No. 30-025-09970**), located at a standard gas well location 1980 feet from the South line and 500 feet from the West line of Section 2.

The subject applications have been duly filed under the provisions of Division Rule 104.F and the applicable provisions of the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

IT IS THEREFORE ORDERED THAT:

- (1) By the authority granted me under the provisions of **Rule 2(d)** of the special

Blinebry Oil and Gas Pool rules:

- (A) Division Administrative Order NSP-1599, which initially established the non-standard 39.76-acre gas spacing and proration unit in the Blinebry Oil and Gas Pool comprising Lot 3 (Unit C) of Section 2 for Exxon's New Mexico "S" State Well No. 14 (**API No. 30-025-09948**), located at a standard gas well location for this unit 660 feet from the North line and 1980 feet from the West line of Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby reinstated and shall remain in full force and affect until further notice; and
 - (B) Division Administrative Order NSP-1667, which established the non-standard 80-acre gas spacing and proration unit in the Blinebry Oil and Gas Pool comprising the SW/4 NW/4 and the NW/4 SW/4 of Section 2 is hereby reinstated and shall remain in full force and affect until further notice.
 - (C) Furthermore, Exxon is hereby authorized to simultaneously dedicate the this 80-acre unit to its: (i) New Mexico "S" State Well No. 21 (**API No. 30-025-09970**), located at an unorthodox gas well location 1980 feet from the South line and 500 feet from the West line (Unit L) of Section 2; and (ii) New Mexico "S" State Well No. 38 (**API No. 30-025-25508**), located at a standard gas well location for this unit 2100 feet from the North line and 660 feet from the West line (Unit E) of Section 2. Exxon is hereby permitted to produce the allowable assigned this non-standard 80-acre gas spacing and proration unit from both wells in any proportion.
- (2) Corrected Administrative Order NSP-1771, dated March 28, 1997 shall be placed in abeyance until further notice.
- (3) The portion of Division Administrative Order NSP-1770 that established the non-standard 40-acre unit comprising the NW/4 SW/4 (Unit L) of Section 2 for the New Mexico "S" State Well No. 21 shall be placed in abeyance until further notice, all other provisions of this order shall remain in full force and effect.

Reinstatement of Division Administrative
Orders NSP-1599 and NSP-1667(L)
Exxon Company USA
December 21, 1999
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(4) Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders as the Division deems necessary.

Sincerely,



LOR WROTENBERY
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSP-1599
NSP-1667
NSP-1770
NSP-1771
NSP-955
NSP-1616
SD-96-5 /
Case No. 11479



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 21, 1997

Exxon Corporation
P. O. Box 1600
Midland, Texas 79702-1600
Attention: Alex M. Correa

Administrative Order NSP-1770

Dear Mr. Correa:

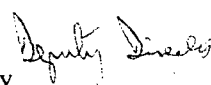
Reference is made to your application dated February 18, 1997 to establish two non-standard 40-acre gas spacing and proration units ("GPU") consisting of the following acreage in the Blinbry Oil and Gas Pool in Section 2, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico:

- (a) the SE/4 SW/4 (Unit N) of said Section 2 is to be dedicated to the existing New Mexico "S" State Well No. 7 (API No. 30-025-09956), located at a standard gas well location 660 feet from the South line and 1980 feet from the West line; and,
- (b) the NW/4 SW/4 (Unit L) of said Section 2 is to be dedicated to the existing New Mexico "S" State Well No. 21 (API No. 30-025-09970), located at a standard gas well location 1980 feet from the South line and 500 feet from the West line.

By authority granted me under the provisions of Rule 2(a)4 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinbry Oil and Gas Pool", as promulgated by Division Order No. R-8170, as amended, both of the two above-described 40-acre GPU's are hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU's, in accordance with Rule 5 of said pool rules based upon a unit sizes of 40 acres.

Division Administrative Order SD-96-5 shall be placed in abeyance until further notice.

Sincerely,

by  
William J. LeMay
Director

WJL/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: SD-96-5
NSP-1667
NSP-1616