

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



OIL CONSERVATION DIVISION



January 9, 1995

Chevron U.S.A. Production Company
P. O. Box 1150
Midland, Texas 79702

Attention: Lloyd V. Trautman

Administrative Order NSL-2997-A(SD)

Dear Mr. Trautman:

Reference is made to your application dated September 20, 1994 for an unorthodox Blinebry gas well location in an existing 160-acre standard gas spacing and proration unit (GPU) for said Blinebry Oil and Gas Pool comprising the SE/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. Blinebry gas production from said GPU is currently simultaneously dedicated to the Mark Owen Well No. 3 (API No. 30-025-07022), located at a standard gas well location 1980 feet from the South line and 960 feet from the East line (Unit I) of said Section 34, and to the Mark Owen Well No. 4 (API No. 30-025-07003), located at a previously approved unorthodox gas well location (Division Administrative Order NSL-2838(SD), dated July 31, 1990) 2068 feet from the South and East lines (Unit J) of said Section 34.

The subject well in this application, the Mark Owen Well No. 6 (API No. 30-025-07005), was drilled in 1947 and completed in the Drinkard formation at a standard oil well location 554 feet from the South line and 2086 feet from the East line (Unit O) of said Section 34. Our records indicate that in 1954 this well was dually completed, under the authority of Division Administrative Order DC-89, dated March 19, 1954, in a manner as to permit the production of gas from the Blinebry Oil and Gas Pool through the casing-tubing annulus and oil from the Drinkard formation through tubing. In 1973 the Drinkard and Blinebry zones were abandoned and the well was recompleted in the Paddock Pool, in 1975 the Paddock interval was abandoned and the well was again recompleted to the Drinkard formation, and in 1990 the Drinkard zone was plugged off and the Tubb interval was completed where it is currently producing gas from the Tubb Oil and Gas Pool. It is our understanding at this time that Chevron is proposing a plug-back and recompletion of this well into the Blinebry Oil and Gas Pool upon issuance of this order.

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131

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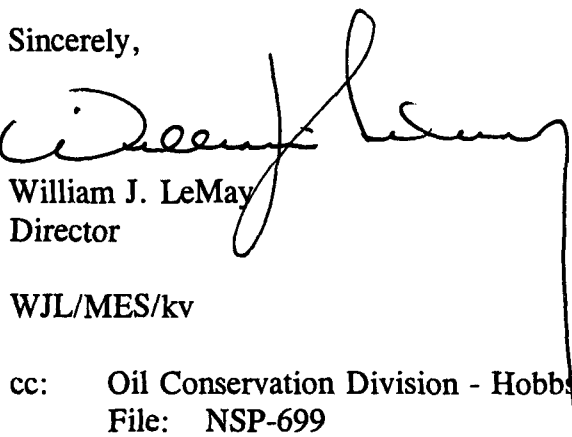
Although no specific authorization for the unorthodox gas well location in the Blinebry Oil and Gas Pool was given the operator, this well and the Blinebry formation were the subject of several other Administrative Orders issued by the Division: NSP-699 issued on February 5, 1965; NSP-724 issued on November 8, 1965; and, NSP-841 dated July 12, 1971. By Division Administrative Order NSL-2997, dated March 13, 1991, the location of this (gas) well in the Tubb Oil and Gas Pool was approved.

By authority granted me under the provisions of Rule 2(c) of the Special Rules and Regulations for the Blinebry Oil and Gas Pool, as promulgated by Division Order No. R-8170, as amended, the location of the Mark Owen Well No. 6 is hereby approved as an unorthodox Blinebry gas well location.

Also, you are hereby authorized to simultaneously dedicate Blinebry gas production from the Mark Owen Well No. 6 with the Mark Owen Well Nos. 3 and 4. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

At this time both Division Administrative Orders NSP-841 and NSL-2997 shall be placed in abeyance until further notice. Further, all provisions of said Administrative Order NSL-2838(SD) shall remain in full force and affect until further notice.

Sincerely,



William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: NSP-699
NSP-724
NSP-841
NSL-2997
NSL-2838(SD)