



**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.

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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