

*Case #1074*  
*169*  
*Key*  
*Paul SA*  
*R-610*  
**The Ohio Oil Co.**  
P.O. Box 552  
Midland, Texas  
April 19, 1956

Re: Expansion of Existing Gas Proration Unit  
and Designation and Formation of Enlarged  
Gas Proration Unit to be comprised of E/2  
of SW/4 and W/2 of SE/4, Section 24, Town-  
ship 22 South, Range 37 East, N.M.P.M.,  
Blinebry Gas Pool, Lea County, New Mexico

New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Acting Secretary-Director

Gentlemen:

The Ohio Oil Company by this application respectfully requests that the gas proration unit formed by Order No. R-466 dated April 16, 1954, be expanded and that an enlarged gas proration unit comprised of the E/2 of SW/4 and the W/2 of SE/4 of Section 24, Township 22 South, Range 37 East, N.M.P.M., be formed and designated in the Blinebry Gas Pool, Lea County, New Mexico.

The Ohio Oil Company is Operator of the above described acreage under an Operating Agreement entered into between The Ohio Oil Company and Phillips Petroleum Company, The Ohio Oil Company being the owner of an undivided three-fourths interest in the oil and gas leasehold estate in said land, and Phillips Petroleum Company being the owner of an undivided one-fourth interest in the oil and gas leasehold estate in the land.

The J. L. Muncy Well No. 3 was completed as a gas well on January 3, 1949, in the Blinebry formation within what now constitutes the vertical limits of the Blinebry Gas Pool. The well is located on the above described acreage at a point 350 feet from the south line and 440 feet from the west line of the proposed proration unit. The well is capable of producing a volume of gas in excess of the allowable currently being assigned for a 160 acre gas proration unit in the Blinebry Gas Pool. All of the acreage included within the proposed proration unit is reasonably deemed to be productive of gas from the Blinebry Gas Pool. It is impractical to pool the acreage on which the J. L. Muncy Well No. 3 is located with other acreage in the SW/4 of Section 24. It is unnecessary to negotiate a pooling agreement to form the proposed enlarged proration unit, and there is no well completed in the Blinebry Gas Pool in the SE/4 of Section 24.

Unless the present proration unit is expanded and the enlarged proration unit designated and formed as requested in this application, The Ohio Oil Company and Phillips Petroleum Company will be deprived of a fair opportunity

to recover their just and equitable shares of the gas and liquid hydrocarbons in the Blinebry Gas Pool. The granting of the relief sought by this application will protect correlative rights and will not cause but will prevent waste.

A plat is attached hereto which indicates the location of the proposed proration unit and the location of the surrounding tracts. A list of names and addresses of all interested parties known to The Ohio Oil Company is also attached to this application.

The Ohio Oil Company requests that this application be set for hearing and that notice of the application and hearing be issued and published as required by law and the rules of the Commission. A hearing before an Examiner is hereby requested; however, if the Commission desires to conduct the hearing on this application or if objection to the hearing before the Examiner is made in the time and manner required by law and the rules, it is requested that this application be promptly set for hearing at the next regular hearing of the Commission.

Very truly yours,

THE OHIO OIL COMPANY

By

  
Coe S. Mills, District Manager

cc - Phillips Petroleum Company  
P. O. Box 791  
Midland, Texas