

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF ARCO OIL AND GAS COMPANY
FOR POOL CREATION AND CONTRACTION,
LEA COUNTY, NEW MEXICO.

RECEIVED CASE NO. 10552

FILED 20 1992

APPLICATION OIL CONSERVATION DIVISION

ARCO OIL AND GAS COMPANY, ("ARCO"), through its undersigned attorneys, makes application to the New Mexico Oil Conservation Division for an order creating a new pool in the Justis Blinebry, Tubb and Drinkard formations, Lea County, New Mexico, and in support of its application states:

1. ARCO is an interest owner in the Justis Blinebry Pool and the Justis Tubb/Drinkard Pool in Lea County, New Mexico and operates wells therein.
2. ARCO requests the creation of a new pool in the Justis Blinebry, Tubb and Drinkard formations to comprise the following described lands:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 11:	N/2, SE/4, E/2 SW/4
Section 12:	W/2, W/2 SE/4
Section 13:	All
Section 14:	E/2, E/2 W/2
Section 23:	E/2, E/2 NW/4, NE/4 SW/4
Section 24 and 25:	All
Section 26:	NE/4, N/2 SE/4, SE/4 SE/4
Section 35:	E/2 NE/4
Section 36:	All

TOWNSHIP 25 SOUTH, RANGE 38 EAST, N.M.P.M.

Section 19: W/2 W/2
Section 30: W/2 W/2
Section 31: W/2 W/2

TOWNSHIP 26 SOUTH, RANGE 37 EAST, N.M.P.M.

Section 1: N/2 NE/4

3. Concurrent with the creation of this new pool, ARCO seeks the contraction of the Justis Blinebry Pool and the Justis Tubb/Drinkard Pool to exclude certain lands including the portions thereof which will be within the proposed new pool. The acreage excluded from the Justis Blinebry Pool and the Justis Tubb/Drinkard Pool should include all acreage currently within these pools located south of a line running east-west on the northern boundary of Sections 11 and 12, Township 25 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

4. ARCO requests that the vertical limits of the proposed pool include all of the Blinebry Tubb and Drinkard formations.

5. Operations within the proposed pool boundaries have resulted in the commingling of the Blinebry, Tubb and Drinkard formations and they are now in effective communication with each other so as to constitute one common source of supply.

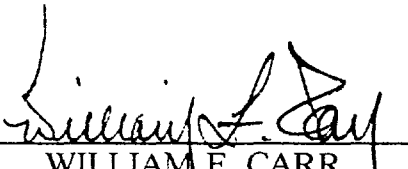
6. Since the proposed new pool constitutes a single common source of supply, the formation of a common pool within this area will operate to prevent waste of natural resources and will better protect the correlative rights of interest owners within the area.

WHEREFORE, ARCO Oil and Gas Company, prays that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on

September 17, 1992, and that, after notice and hearing as required by law, the Division enter its order contracting the present boundaries of the Justis Blinebry Pool and the Justis Tubb/Drinkard Pool and the concurrent creation of the proposed Justis Blinebry-Tubb Drinkard Pool.

Respectfully submitted,

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