

JUSTIS-BLINEBRY POOL
Lea County, New Mexico

Order No. R-3133, Adopting a Net Gas-Oil Ratio Rule for the Justis-Blinebry Pool, Lea County, New Mexico, November 1, 1966.

Application of Gulf Oil Corporation for a Special Gas-Oil Ratio Limitation, Lea County, New Mexico.

CASE NO. 3470
Order No. R-3133

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on September 28, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of October, 1966, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

Finds:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Gulf Oil Corporation, seeks the establishment of a special gas-oil ratio limitation of 6000 cubic feet of gas for each barrel of oil produced in the Justis-Blinebry Pool, Lea County, New Mexico.

(3) That approval of the subject application will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil and gas and for this purpose to use his just and equitable share of the reservoir energy.

(4) That approval of the subject application will prevent waste and protect correlative rights provided the flaring or venting of gas in the Justis-Blinebry Pool is prohibited.

(5) That in order to assure the protection of correlative rights, the operator of each well in the Justis-Blinebry Pool should file a new gas-oil ratio test with the Commission's Hobbs District Office on or before December 1, 1966.

IT IS THEREFORE ORDERED:

(1) That, effective November 1, 1966, the limiting gas-oil ratio in the Justis-Blinebry Pool, Lea County, New Mexico, shall be 6000 cubic feet of gas for each barrel of oil produced; that, effective November 1, 1966, each proration unit in the Justis-Blinebry Pool shall produce only that volume of gas equivalent to 6000 multiplied by top unit oil allowable for the pool.

(2) That the operator of each well in the Justis-Blinebry Pool shall file a new gas-oil ratio test with the Commission's Hobbs District Office on or before December 1, 1966, and shall furnish a schedule of test dates to the Commission's Hobbs District Office in order that the tests may be witnessed.

(3) That no gas shall be flared or vented in the Justis-Blinebry Pool more than 60 days after a well begins to produce or 60 days after the effective date of this order, whichever is later. Any operator desiring to obtain an exception to this provision shall submit to the Secretary-Director of the Commission an application for such exception with a statement setting forth the facts and circumstances justifying it. The Secretary-Director is hereby authorized to approve such an application if he determines that the exception is necessary to prevent waste. If the Secretary-Director declines to grant administrative approval of the requested exception, the matter shall be set for hearing if the operator so requests.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

SHOE BAR-PENNSYLVANIAN POOL
Lea County, New Mexico

Order No. R-3136-A, Abolishing the Temporary Operating Rules Adopted in Order No. R-3136, November 1, 1966, for the Shoe Bar-Pennsylvanian Pool, Lea County, New Mexico, May 1, 1968.

Application of Monsanto Company for Special Pool Rules, Lea County, New Mexico.

CASE NO. 3472
Order No. R-3136-A

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a. m. on April 3, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 9th day of April, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS: (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-3136, dated October 19, 1966, temporary Special Rules and Regulations were promulgated for

OTERO-GALLUP POOL
Rio Arriba County, New Mexico

Order No. R-1237, Adopting Rules for the Otero-Gallup Pool, Rio Arriba County, New Mexico, August 13, 1958, as Amended by Order No. R-1237-A, October 19, 1959.

Application of Skelly Oil Company for an Order Establishing Temporary 80-acre Spacing and Promulgating Special Rules and Regulations for the Otero-Gallup Pool in Rio Arriba County, New Mexico.

CASE NO. 1440
Order No. R-1237

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m., on July 2, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of August, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Skelly Oil Company, seeks the establishment of temporary 80-acre spacing and the promulgation of special rules and regulations for the Otero-Gallup Oil Pool, Rio Arriba County, New Mexico.

(3) That the applicant has failed to prove that the Otero-Gallup Oil Pool can be efficiently drained and developed on an 80-acre spacing pattern.

(4) That the drilling and spacing of wells in the Otero-Gallup Oil Pool should continue to be governed by Rule 104 of the Commission Rules and Regulations.

(5) That in view of the high gas-oil ratios generally encountered in the Otero-Gallup Oil Pool, the gas-oil ratio limitation should be increased from 2000 cubic feet of gas per barrel of oil to 6000 cubic feet of gas per barrel of oil for all wells in said pool, effective September 1, 1958.

(6) That in order to prevent waste, no casinghead gas should be flared nor vented in the Otero-Gallup Oil Pool after August 31, 1958.

(7) That applicant failed to establish any justification or need for authorizing the transfer of allowables from high gas-oil ratio wells to lower gas-oil ratio wells in the Otero-Gallup Oil Pool.

IT IS THEREFORE ORDERED:

(1) That the application of Skelly Oil Company for the establishment of temporary 80-acre spacing and for the transfer of allowables from high gas-oil ratio wells to lower gas-oil ratio wells in the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, be and the same is hereby denied.

(2) That the drilling and spacing of wells in the Otero-Gallup Oil Pool shall continue to be governed by Rule 104 of the Rules and Regulations of the Oil Conservation Commission of New Mexico.

(3) That effective September 1, 1958, the gas-oil ratio limitation shall be increased from 2000 cubic feet of gas per barrel of oil produced to 6000 cubic feet of gas per barrel of oil produced for all wells within the defined limits of the Otero-Gallup Oil Pool and for wells within one mile therefrom.

(4) (As Amended by Order No. R-1237-A, October 19, 1959.) That after August 31, 1958, no casinghead gas shall be flared or vented from any well within the defined limits of the Otero-Gallup Oil Pool or from any well within one mile therefrom; provided however, that every newly completed well in said pool or within one mile therefrom and every well subsequently governed by the Otero-Gallup pool rules due to

extensions of said pool shall be permitted 60 days from the completion date or 60 days from the date the pool is extended to within one mile of the well to make beneficial use of the produced casinghead gas.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

JUSTIS TUBB-DRINKARD POOL
(Gas-Oil Ratio)
Lea County, New Mexico

Order No. R-4346, Adopting a Gas-Oil Ratio Rule for the Justis Tubb-Drinkard Pool, Lea County, New Mexico, September 1, 1972.

Application of Atlantic Richfield Company for a Special Gas-Oil Ratio Limitation, Justis Tubb-Drinkard Pool, Lea County, New Mexico.

CASE NO. 4759
Order No. R-4346

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on July 12, 1972, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 19th day of July, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Atlantic Richfield Company, seeks, as an exception to Rule 506 of the Commission Rules and Regulations, a limiting gas-oil ratio of 6000 cubic feet of gas per barrel of oil in the Justis Tubb-Drinkard Pool, Lea County, New Mexico.

(3) That the reservoir characteristics of the subject pool presently available justify the establishment of a gas-oil ratio limitation of 6000 cubic feet of gas per barrel of liquid hydrocarbons.

(4) That an additional volume of 800 MCF per day of casinghead gas production is anticipated to be produced from the Justis Tubb-Drinkard Pool at a gas-oil ratio of 6000 cubic feet of gas per barrel of oil.

(5) That the anticipated volume of additional casinghead gas may be produced from the Justis Tubb-Drinkard Pool without waste.

(6) That in order to afford to the owner of each property in the Justis Tubb-Drinkard Pool the opportunity to produce his just and equitable share of the oil and gas in the subject pool and for this purpose to use his just and equitable share of the reservoir energy, a limiting gas-oil ratio of 6000 cubic feet of gas per barrel of liquid hydrocarbons should be established for the subject pool.

(7) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That, effective September 1, 1972, the limiting gas-oil ratio in the Justis Tubb-Drinkard Pool, Lea County, New Mexico, shall be 6000 cubic feet of gas for each barrel of oil produced.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

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. 10552
Order No. R-_____

APPLICATION OF ARCO OIL AND GAS COMPANY
FOR POOL CREATION, AND CONTRACTION,
AND, IF APPLICABLE POOL EXTENSIONS
AND/OR REDESIGNATIONS,
LEA COUNTY, NEW MEXICO.

**ARCO OIL AND GAS COMPANY'S PROPOSED
ORDER OF THE DIVISION**

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 17, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this _____ day of September, 1992, 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) Division Case Nos. 10552, 10553 and 10554 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, ARCO Oil and Gas Company ("ARCO"), seeks the creation of a new oil and gas pool for Blinebry, Tubb and Drinkard production, said pool to be designated the South Justis Blinebry-Tubb-Drinkard Oil and Gas Pool comprising the following described acreage in Lea County, New Mexico:

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
------------	----------

(4) The applicant further proposes to define the vertical limits of the pool to include the Blinebry, Tubb and Drinkard formations from a depth of 4,980 feet (elevation 3,081 feet sub-sea datum 1988) to a depth of 6,180 feet on the type log run on the ARCO Ida Wimberly No. 4 Well located 660 feet from the South line and 990 feet from the West line (Unit M) of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

(5) The applicant seeks the creation of said pool for the purpose of instituting a secondary recovery project (the subject of Case No. 10554) within the described horizontal and vertical boundaries described above.

Case No. 10552

Order No. R-_____

Page 3

(6) In conjunction with the proposed pool creation, the applicant further seeks the concomitant contraction of the Justis Blinebry Oil and Gas Pool, and the Justis Tubb/Drinkard Oil and Gas Pool described as follows:

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

	<u>Justis Blinebry Pool</u>	<u>Justis Tubb/ Drinkard Pool</u>
Section 11	All	All
Section 12	All	NW/4, S/2
Section 13	All	All
Section 14	NW/4, E/2 SW/4	NE/4, E/2 NW/4, E/2, SW/4 SE/4
Section 23	All	E/2, NW/4
Section 24	All	All
Section 25	All	All
Section 26	E/2, SW/4	NE/4, E/2 SE/4
Section 35	E/2	E/2 NE/4
Section 36	All	All

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

	<u>Justis Blinebry Pool</u>	<u>Justis Tubb/ Drinkard Pool</u>
Section 18	--	SW/4
Section 19	--	NW/4
Section 30	--	W/2
Section 31	--	N/2

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

	<u>Justis Blinebry Pool</u>	<u>Justis Tubb/ Drinkard Pool</u>
Section 1	S/2	N/2
Section 12	W/2	--

TOWNSHIP 26 SOUTH, RANGE 38 EAST, N.M.P.M.

Justis Blinebry
Pool

Justis Tubb/
Drinkard Pool

Section 6

--

NW/4

(7) The applicant testified that over the operational history of the Justis Blinebry Oil Pool and the Justis Tubb Drinkard Oil Pool, the Division has allowed commingling of these pools within the wellbores of numerous wells in the subject area.

(8) This commingling has resulted in the development of effective communication between the pools, which has in turn resulted in similar formation pressures and production responses.

(9) Consequently, the vertical interval containing the Blinebry, Tubb and Drinkard formations more closely resembles, at this late stage of primary development, one common single source of supply.

(10) The evidence further established that the Blinebry, Tubb and Drinkard formations were of similar rock quality and that the development of the reserves in these zones as separate pools has been a factor of the historical development of this area and is not based on the geological characteristics of these zones.

(11) The applicant further presented evidence and testimony which indicates that secondary recovery operations conducted simultaneously within the Blinebry, Tubb and Drinkard formations would be the most effective method of operation and would result in the recovery of the maximum amount of secondary reserves from the subject formations within the subject area.

(12) In order to prevent waste caused by the loss of secondary reserves resulting from inefficient secondary recovery operations, and by the unnecessary duplication of facilities required to conduct separate waterflood operations within the three subject formations, ARCO's application for the creation of a new oil and gas pool for the purpose of conducting secondary recovery operations should be approved.

IT IS THEREFORE ORDERED THAT:

(1) A new pool for the Blinebry, Tubb and Drinkard production is hereby created and designated the South Justis Blinebry-Tubb-Drinkard Oil Pool comprising vertical limits defined from a depth of 4,980 feet (elevation 3,081 feet sub-sea datum 1988) to a depth of 6,180 feet on the type log run on the ARCO Ida Wimberly No. 4 Well located 660 feet from the South line and 990 feet from the West line of Section 24, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, and with horizontal limits comprised of the following described acreage:

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
------------	----------

(2) The horizontal boundaries of the Justis Blinebry Oil Pool and the Justis Tubb Drinkard Oil Pool, are hereby contracted by the deletion of the following described acreage:

Case No. 10552

Order No. R-_____

Page 6

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

	Justis Blinebry <u>Pool</u>	Justis Tubb/ <u>Drinkard Pool</u>
Section 11	All	All
Section 12	All	NW/4, S/2
Section 13	All	All
Section 14	NW/4, E/2 SW/4	NE/4, E/2 NW/4, E/2, SW/4 SE/4
Section 23	All	E/2, NW/4
Section 24	All	All
Section 25	All	All
Section 26	E/2, SW/4	NE/4, E/2 SE/4
Section 35	E/2	E/2 NE/4
Section 36	All	All

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

	Justis Blinebry <u>Pool</u>	Justis Tubb/ <u>Drinkard Pool</u>
Section 18	--	SW/4
Section 19	--	NW/4
Section 30	--	W/2
Section 31	--	N/2

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

	Justis Blinebry <u>Pool</u>	Justis Tubb/ <u>Drinkard Pool</u>
Section 1	S/2	N/2
Section 12	W/2	--

Case No. 10552

Order No. R-_____

Page 7

TOWNSHIP 26 SOUTH, RANGE 38 EAST, N.M.P.M.

Justis Blinebry
Pool

Justis Tubb/
Drinkard Pool

Section 6

--

NW/4

(3) 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

S E A L



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

October 23, 1992

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10522
ORDER NO. R-9745

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

A handwritten signature in cursive script that reads "Florene".

Florene Davidson
OC Staff Specialist

FD/sl

cc: BLM Carlsbad Office
Alvin Tapia - OCD

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER (505) 983-6043

September 18, 1992

HAND-DELIVERED

Mr. David R. Catanach
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

*CASE
FILE-10552*

Re: Cases 10552, 10553 and 10554
Applications of ARCO Oil and Gas Company for Pool Creation and
Contraction, Statutory Unitization and Approval of a Waterflood Project for
the South Justis Unit, Lea County, New Mexico

Dear David:

Enclosed is a floppy disk which contains ARCO's proposed Orders in each of the above-referenced cases. Also enclosed is a description by Section, Township and Range of the South Justis Unit's Phase I Development Area. This area should not change in the future, for all Phase I facilities should be constructed prior to the implementation of injection.

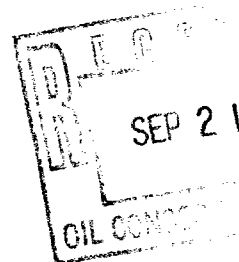
If you need additional data from ARCO to proceed with your consideration of these cases, please advise.

Very truly yours,

Bill

WILLIAM F. CARR
WFC:mlh
Enc.

cc w/enc.: Mr. Jack Lowder
Mr. Ray Pyle
ARCO Oil and Gas Company
Post Office Box 1610
Midland, Texas 79702



SOUTH JUSTIS UNIT
PHASE I DEVELOPMENT AREA

Township 25 South, Range 37 East, N.M.P.M.

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

Township 25 South, Range 38 East, N.M.P.M.

Section 30: W/2 NW/4 SW/4