

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF ATLANTIC RICHFIELD COMPANY
FOR APPROVAL OF THE EAST BLINEBRY UNIT
AGREEMENT EMBRACING 3,080 ACRES IN TOWNSHIP
21 SOUTH, RANGE 37 EAST, LEA COUNTY, NEW
MEXICO.

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Atlantic Richfield Company, acting by and through the undersigned attorneys, and hereby makes application for approval of the East Blinebry Unit Agreement embracing 3,080 acres in Township 21 South, Range 37 East, Lea County, New Mexico, and in support thereof respectfully shows:

1. There is filed herewith in triplicate the proposed Unit Agreement for the Development and Operation of the East Blinebry Unit Area embracing 3,080 acres situated in Township 21 South, Range 37 East, N.M.P.M. of which 1,200 acres, or 38.96% are federal lands, and 1,880 acres, or 61.04%, are fee lands. Said lands are more particularly described as follows:

Township 21 South, Range 37 East, N.M.P.M.

Section 11 - All
Section 12 - $W\frac{1}{2}E\frac{1}{2}$, $W\frac{1}{2}$
Section 13 - $W\frac{1}{2}NE\frac{1}{4}$, $NW\frac{1}{4}SE\frac{1}{4}$, $W\frac{1}{2}$
Section 14 - All
Section 23 - All
Section 24 - $NW\frac{1}{4}$, $W\frac{1}{2}SW\frac{1}{4}$

2. There is attached hereto as Exhibit "A" a plat showing the outlines of the proposed unit area, together with all the wells producing from the Blinebry formation underlying said area. The proposed unit agreement will unitize the Blinebry formation which is described as follows: That stratigraphic interval encountered in the Sinclair Oil Company Roy Barton #3 located 1980 feet from the north line and 660 feet from the east line of Section 23, Township 21 South, Range 37 East, Lea County, New Mexico, the top of which is shown on the Welex Gammaray-Neutron Log dated August 17, 1963, at the subsurface depth of 5,550 feet and the bottom of which is shown at a subsurface depth of 6,007 feet. That the reservoir within the unit area has been defined by development.

3. Applicant is designated as unit operator in said unit agreement and the primary purpose of the unit is to inaugurate and maintain a unit wide waterflood project through the injection of water into the unitized formation.

4. That the owners of the record title to the respective oil and gas leases covering the tracts comprising the unit area, as well as the owners of royalty and working interests, are shown by Exhibit "B" attached to the proposed unit agreement. That parties who will be required initially to pay more than 75% of the costs of unit operations have agreed to the unit plan, as well as the owners of more than 75% of the production or proceeds thereof that will be credited to interests which are free of cost, such as royalties, overriding royalties and production payments.

5. Applicant is filing with the Oil Conservation Commission simultaneously with this application an application for approval of the East Drinkard Unit, the unit area of which is identical with the proposed unit area for the East Blinebry Unit. The East Drinkard Unit is for the purpose of unitizing the Drinkard formation under the same lands. Applicant is also designated as operator of the East Drinkard Unit and it is proposed that the two units will be operated simultaneously and that the production from the two units may be commingled either in common well bores or surface facilities and for the purpose of allocating working interest and royalty interest production all production from the two units shall be allocated and credited as if 64.544% of the production had been produced from the unitized formation for the East Blinebry Unit and 35.456% had been produced from the unitized formation for the East Drinkard Unit.

6. The wells producing from the Blinebry formation which is to be unitized have reached an advanced stage of depletion and are regarded as what is commonly referred to as "stripper" wells.

7. The form of unit agreement has been approved by the United States Geological Survey. There is also filed with the unit agreement the proposed form of unit operating agreement to be entered into by and between the unit operator and working interest owners, which provides for the manner in which the unit will be supervised and managed and costs allocated and paid. The unit agreement and unit operating agreement provide for allocation to the separately owned tracts in the unit area of unitized substances produced from the unit area which are not used in the conduct of operations on the unit area or not unavoidably lost. The operating agreement also provides for credits and charges to be made in the adjustment among the owners in the unit area for their respective investments in wells, tanks, pumps, machinery, materials and equipment contributed to the unit operations. The unit operating agreement also provides how the costs of unit operations,

including capital investments, are to be determined and charged to the separately owned tracts and how said costs shall be paid, including a provision providing when, how and by whom the unit production allocated to an owner who does not pay the share of the costs of unit operations charged to such owner, or the interest of such owner, may be sold and the proceeds applied to the payment of such costs.

Section 11.1 of the unit operating agreement provides for carrying any working interest owner with respect to such owner's obligation to pay said party's proportionate costs of drilling any wells which may be necessary, together with an appropriate charge for interest.

The operating agreement also designated applicant as operator and provides for the supervision and conduct of unit operations, including the selection, removal or substitution of an operator from among the working interest owners to conduct unit operations.

The unit operating agreement also contains a provision for voting procedure for the decision of matters to be decided by the working interest owners in respect to which each working interest owner shall have a voting interest equal to its unit participation.

The unit agreement and operating agreement provide for an effective date and termination date and for the settlement of accounts upon termination.

The unit operating agreement also contains adequate additional provisions for carrying on unit operations for the protection of correlative rights and the prevention of waste.

8. The approval of the proposed unit agreement and waterflood project in connection therewith will be in the interest of conservation and the prevention of waste.

9. This application is filed under and pursuant to the "Statutory Unitization Act" (65-14-1 to 65-14-21 New Mexico Statutes Annotated) and is for the purpose of committing to the unit agreement the interests of all persons having interests within the unit area who do not approve the agreement.

10. Applicant requests that this matter be included on the examiner's docket for July 20, 1977.

Respectfully submitted,

ATLANTIC RICHFIELD COMPANY

By 

HINKLE, COX, EATON, COFFIELD & HENSLEY
P.O. Box 10
Roswell, New Mexico 88201
Attorneys for Applicant

Dockets Nos. 25-77 and 26-77 are tentatively set for hearing on August 3 and August 17, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 20, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Mutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for August, 1977, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for August, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 5982: Application of Sam H. Snoddy for directional drilling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of two 14,000-foot Morrow gas wells in Unit P of Section 25, Township 20 South, Range 32 East, South Salt Lake-Morrow Gas Pool, Lea County, New Mexico, one of which would be vertically drilled to a depth of 4000 feet from a surface location 660 feet from the South line and 760 feet from the East line of said Section 25, then directionally drilled in a North-Northwesterly direction and bottomed in the approximate center of the NE/4 of said Section 25, the N/2 of the section being dedicated to the well; the other well would be vertically drilled to a depth of 4000 feet from a surface location 760 feet from the South line and 660 feet from the East line of said Section 25, then directionally drilled in a West-Northwesterly direction and bottomed in the approximate center of the SW/4 of said Section 25, which would be a 160-acre non-standard unit for said well.
- CASE 5983: Application of Yates Petroleum Corporation for the amendment of Order No. R-5445, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5445 to provide for a 200 percent risk factor for drilling the unit well rather than 20 percent. Said order pooled the N/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.
- CASE 5984: Application of Morris R. Antweil for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in and underlying the N/2 of Section 20, Township 18 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 5985: Application of Orla Petco, Inc., for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its B. K. Morrison Well No. 1 to be located 1980 feet from the South line and 660 feet from the West line of Section 5, Township 19 South, Range 26 East, Eddy County, New Mexico, the S/2 of said Section 5 to be dedicated to the well.
- CASE 5986: Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Devils Fork-Gallup and Mesaverde production in the wellbore of his Edna Well No. 2 located in Unit O of Section 7, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 5987: Application of Getty Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Gallup, Mesaverde, and Dakota production in the wellbore of its C. W. Roberts Well No. 5, located in Unit F of Section 17, Township 25 North, Range 3 West, Rio Arriba County, New Mexico. Applicant also seeks approval for the reopening of its C. W. Roberts Wells Nos. 3 and 4 and its Lydia Rentz Well No. 4 to commingle Dakota, Mesaverde, and possibly Gallup production within the wellbores of the above-described wells located in Units O, M, and A of Sections 18, 17, and 19, respectively, of the same township.
- CASE 5988: Application of Continental Oil Company for three unorthodox locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2-A of the Blanco-Mesaverde Gas Pool Rules, to permit the drilling of its AXI Apache "N" Wells Nos. 12 and 14 in the NW/4 of Sections 11 and 1, respectively, and its AXI Apache "O" Well No. 10 in the SE/4 of Section 3, all in Township 25 North, Range 4 West, Rio Arriba County, New Mexico. Each of said wells is the first Mesaverde well on its proration unit.

- CASE 5989: Application of Continental Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Marshall Well No. 8 to be located 2600 feet from the South line and 1230 feet from the West line of Section 19, Township 23 South, Range 33 East, Cruz-Delaware Pool, Lea County, New Mexico.
- CASE 5990: Application of Continental Oil Company for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its AXI Apache "D" Well No. 5 to be located 2310 feet from the North line and 990 feet from the West line of Section 19, Township 24 North, Range 4 West, Ballard-Pictured Cliffs Pool, Rio Arriba County, New Mexico.
- CASE 5991: Application of Continental Oil Company for capacity allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a capacity allowable for its Pearl "B" Well No. 4 located 330 feet from the South line and 2310 feet from the West line of Section 25, Township 17 South, Range 32 East, Maljarar Grayburg-San Andres Pool, Lea County, New Mexico.
- CASE 5992: Application of Burleson & Huff for compulsory pooling and a non-standard unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 NW/4 of Section 14, Township 24 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, to form a non-standard 40-acre gas proration unit to be dedicated to applicant's Cooper Well No. 1 located in Unit F of said Section 14, or in the alternative to drill another well at a standard location thereon. Also to be considered will be the cost of recompletion or of drilling and completing the unit well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in recompleting or drilling said well.
- CASE 5993: Application of Lively Exploration Company for an exception to the provisions of Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-5459 to exclude its Chacra Well No. 7Y in Unit F of Section 35, Township 30 North, Range 8 West, San Juan County, New Mexico, from the vertical limits of the Blanco-Mesaverde Pool as defined by said order.
- CASE 5994: Application of Tenneco Oil Company for an exception to the provisions of Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-5459 to exclude its Florance Well No. 29-A in Unit F of Section 25, and its Northeast Blanco Unit Well No. 64 in Unit P of Section 24, both in Township 30 North, Range 8 West, San Juan County, New Mexico, from the vertical limits of the Blanco-Mesaverde Pool.
- CASE 5995: Application of Tenneco Oil Company for dual completions and waterflood expansions, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its South Hospah-Upper Sand and -Lower Sand Waterflood Projects by dually completing its Hospah Unit Wells Nos. 58 and 59, located in Units F and G, respectively, of Section 12, Township 17 North, Range 9 West, McKinley County, New Mexico, in such a manner as to permit water injection into each of said zones thru parallel strings of tubing.
- CASE 5996: Application of Petroleum Corporation of Texas for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation through the perforated interval from 6852 feet to 6877 feet in its Dexter Federal Well No. 3 located in Unit I of Section 22, Township 17 South, Range 30 East, Jackson Abo Pool, Eddy County, New Mexico.
- CASE 5997: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its East Drinkard Unit Area comprising 3080 acres, more or less, of Federal and fee lands in Sections 11, 12, 13, 14, 23 and 24, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 5998: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Drinkard Unit Area, Lea County, New Mexico, by the injection of water into the Drinkard formation through 30 wells.
- CASE 5999: Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its East Blinebry Unit Area comprising 3080 acres, more or less, of Federal and fee lands in Sections 11, 12, 13, 14, 23, and 24, Township 21 South, Range 37 East, Lea County, New Mexico.
- CASE 6000: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Blinebry Unit Area, Lea County, New Mexico, by the injection of water into the Blinebry formation through 38 wells.

Dockets Nos. 31-77 and 32-77 are tentatively set for hearing on October 12 and 26, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 28, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 6048: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Saguaro Oil Company and all other interested parties to appear and show cause why the Moran State Well No. 1 located in Unit A of Section 36, Township 18 North, Range 9 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6049: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Douglas Kenaston, Mints-Kenaston Drilling Co., and all other interested parties to appear and show cause why the Masden-Selby Well No. 1 located in Unit I of Section 21, Township 29 North, Range 11 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6050: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit J. Felix Hickman and all other interested parties to appear and show cause why the Malco State Com Well No. 1 located in Unit G of Section 16, Township 26 North, Range 8 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6051: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit B. G. West and N. W. McIntosh and all other interested parties to appear and show cause why the Rollins and Dodgen Well No. 2 located in Unit D of Section 28, Township 18 North, Range 3 West, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6052: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Western Energy Corporation and all other interested parties to appear and show cause why the Ute Well No. 2 located in Unit O of Section 23, Township 31 North, Range 16 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6053: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Noel Reynolds and all other interested parties to appear and show cause why the Torreon Water Well No. 1 located in Unit J of Section 28, Township 18 North, Range 3 West, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6054: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John F. Staver and all other interested parties to appear and show cause why the Paperthin Well No. 1 located in Unit F of Section 26, Township 19 North, Range 5 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6055: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Han-San, Inc., and all other interested parties to appear and show cause why the Grevey Well No. 4 located in Unit E of Section 26, Township 26 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6056: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Julius Chodorow, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Ute Well No. 1 located in Unit F of Section 20, Township 31 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 6021: (Readvertised)

Application of Yates Petroleum Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the interval from 963 feet to 1560 feet in its Federal HJ Well No. 1 located in Unit A of Section 31, Township 6 South, Range 26 East, Linda-San Andres Pool, Chaves County, New Mexico.

CASE 5983: (Continued from September 14, 1977, Examiner Hearing)

Application of Yates Petroleum Corporation for the amendment of Order No. R-5445, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5445 to provide for a 200 percent risk factor for drilling the unit well rather than 20 percent. Said order pooled the N/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.

- CASE 6038: Application of W. Ridley Wheeler Estate for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in an undesignated San Andres reservoir by the injection of water into the San Andres formation thru the open-hole interval from 4800 feet to 4870 feet in its Markham Well No. 2, to be drilled 1980 feet from the South line and 25 feet from the East line of Section 28, Township 9 South, Range 35 East, Lea County, New Mexico.
- CASE 6039: Application of Gulf Oil Corporation for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the directional drilling of three Drinkard Pool wells on its Central Drinkard Unit in Township 21 South, Range 37 East, Lea County, New Mexico, as follows:
- Well No. 419, surface location 1631 feet from the South line and 260 feet from the West line of Section 28, to be bottomed approximately 1335 feet from South line and 15 feet from East line of Section 29; Well No. 421, surface location 1465 feet from North line and 1056 feet from East line of Section 32, to be bottomed approximately 1305 feet from North and East lines of Section 32; and Well No. 422, surface location 1155 feet from North line and 1000 feet from West line of Section 33, to be bottomed approximately 1305 feet from North line and 1335 feet from West line of Section 33.
- CASE 6040: Application of Gulf Oil Corporation for pool reclassification and a special GOR limit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the North Teague-Devonian Gas Pool in Sections 22 and 27, Township 23 South, Range 37 East, Lea County, New Mexico, as an oil pool and the consolidation of said pool with the Teague-Devonian Oil Pool in Sections 27, 34, and 35 of said Township. Applicant further requests a special gas-oil ratio limit for said Teague-Devonian Oil Pool of not more than 5000 to one.
- CASE 6041: Application of Gulf Oil Corporation for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Harry Leonard Well No. 12 located in Unit P of Section 22, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to a previously approved 480-acre multiple well non-standard proration unit.
- CASE 6042: Application of Gulf Oil Corporation for a non-standard proration unit, simultaneous dedication, and unorthodox locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 388.51-acre non-standard gas proration unit comprising the NW/4 and E/2 SW/4 of Section 6, and the NW/4 of Section 7, both in Township 22 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to applicant's H. T. Mattern Wells Nos. 6 and 3, at unorthodox locations in Unit N of Section 6 and Unit F of Section 7, respectively.
- VASE 6043: Application of V-F Petroleum Inc., for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 330 feet from the South line and 2310 feet from the East line of Section 29, Township 8 South, Range 38 East, North Sawyer-Devonian Pool, Roosevelt County, New Mexico.
- CASE 6044: Application of Orla Petco for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests down to 3500 feet underlying the NE/4 NE/4 of Section 1, Township 23 South, Range 27 East, and also the NW/4 NE/4 of said Section, Eddy County, New Mexico, to form two 40-acre units, each to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 6045: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the NW/4 of Section 12, Township 21 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6046: Application of Belco Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 3, Township 22 South, Range 25 East, Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6047: Application of Continental Oil Company for capacity allowables, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a capacity allowable for its Pearl "B" Wells Nos. 5 and 6, located in Units M and O, respectively, of Section 25, Township 17 South, Range 32 East, and its Pearl "B" Well No. 7 located in Unit M of Section 30, Township 17 South, Range 33 East, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico.

CASE 6001: (Continued from August 3, 1977 Examiner Hearing)

Application of Mesa Petroleum Co. for an exception to Order No. R-5459, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Order No. R-5459 to exclude its Primo Well No. 1-A located in Unit D of Section 6, Township 31 North, Range 10 West, San Juan County, New Mexico, from the vertical limits of the Blanco-Mesaverde Pool as defined by said order.

CASE 5997: (Continued from July 20, 1977, Examiner Hearing)

Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its East Drinkard Unit Area comprising 3080 acres, more or less, of Federal and fee lands in Sections 11, 12, 13, 14, 23 and 24, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 5998: (Continued from July 20, 1977, Examiner Hearing)

Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Drinkard Unit Area, Lea County, New Mexico, by the injection of water into the Drinkard formation through 30 wells.

CASE 5999: (Continued from July 20, 1977, Examiner Hearing)

Application of Atlantic Richfield Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its East Blinebry Unit Area comprising 3080 acres, more or less, of Federal and fee lands in Sections 11, 12, 13, 14, 23, and 24, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 6000: (Continued from July 20, 1977, Examiner Hearing)

Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its East Blinebry Unit Area, Lea County, New Mexico, by the injection of water into the Blinebry formation through 38 wells.