

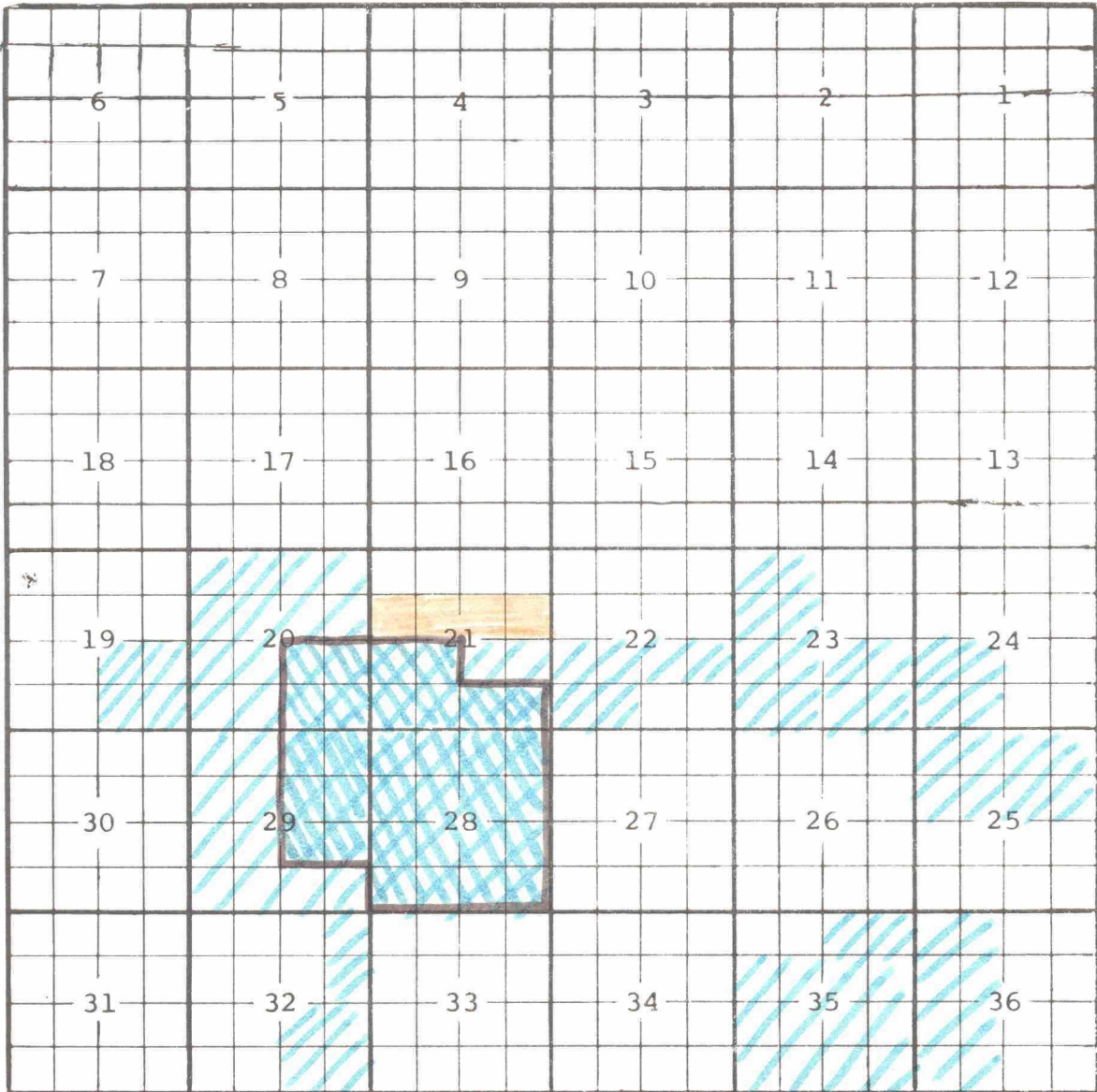
County

Pool

TOWNSHIP

Range

NMPM



Dineby

County _____ Pool _____

TOWNSHIP		Range				NMPM	
6	5	4	3	2	1		
7	8	9	10	11	12		
18	17	16	15	14	13		
19	20	21	22	23	24		
30	29	28	27	26	25		
31	32	33	34	35	36		

TUBS

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7466
Order No. R-6906

APPLICATION OF CONOCO INC. FOR A
WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 20, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of February, 1982, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Conoco Inc., seeks authority for it and Southland Royalty Company to each institute a cooperative waterflood project in the Blinebry Oil and Gas Pool by the injection of water into the Blinebry formation through nine injection wells located on Conoco's Warren Unit and Hawk B-3 Leases and Southland's State Lease in Sections 33 and 34 of, Township 21 South, Range 38 East, and Sections 2 and 3 of Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed cooperative waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the operators should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(6) That the injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 2000 psi, provided that the supervisor of the Division's district office at Hobbs should be notified of any injection pressure above 1000 psi in any well and should have the opportunity to require a step-rate test to be conducted on such well.

(7) That the subject application should be approved and the cooperative project should be governed by the provisions of Rules 701, 702, and 703 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicants, Conoco Inc. and Southland Royalty Company are hereby authorized to each institute a cooperative waterflood project in the Blinebry Oil and Gas Pool by the injection of water into the Blinebry formation through nine injection wells located on Conoco's Warren Unit and Hawk B-3 Leases and Southland's State Lease in Sections 33 and 34 of Township 20 South, Range 38 East, and Sections 2 and 3 of Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, as follows:

CONOCO INC.

Warren Unit Well No. 13, Unit O, Section 34
Warren Unit Well No. 14, Unit M, Section 34
Warren Unit Well No. 17, Unit I, Section 33
Warren Unit Well No. 20, Unit E, Section 34
Warren Unit Well No. 66, Unit O, Section 33
Warren Unit Well No. 75, Unit L, Section 34
Warren Unit Well No. 80, Unit G, Section 33
Hawk B-3 Well No. 15, Unit B, Section 3

SOUTHLAND ROYALTY COMPANY

State Well No. 6, Unit D, Section 2

(2) That injection into each of said wells shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be

loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Division's Hobbs' district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(4) That the injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 2000 psi, provided that the supervisor of the Division's district office at Hobbs shall be notified of any injection pressure above 1000 psi in any well and may require a step-rate test to be conducted on such well.

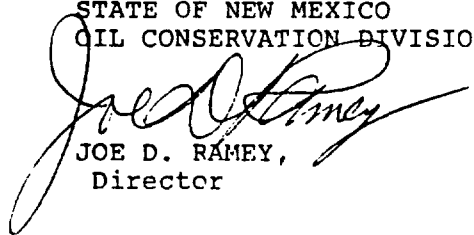
(5) That the subject cooperative waterflood project is hereby designated the Conoco-Southland Blinbry Cooperative Waterflood Project and shall be governed by the provisions of Rules 701, 702, 703, 704, 705, and 706 of the Division Rules and Regulations.

(6) That monthly progress reports of the cooperative waterflood project herein authorized shall be submitted to the Division in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

(7) That 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


JOE D. RAMEY,
Director

S E A L.

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 7466
Order No. R-6906-A

APPLICATION OF CONOCO INC. FOR A
WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-6906, dated February 15, 1982, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED:

(1) That the list of Conoco's injection wells as found in Order (1) on page 2 of Order No. R-6906 is hereby corrected to read in its entirety as follows:

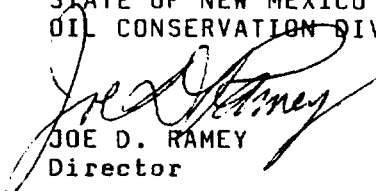
"CONOCO INC.

Warren Unit Well No. 13, Unit O, Section 34
Warren Unit Well No. 14, Unit M, Section 34
Warren Unit Well No. 17, Unit I, Section 33
Warren Unit Well No. 20, Unit E, Section 34
Warren Unit Well No. 16, Unit O, Section 33
Warren Unit Well No. 75, Unit K, Section 34
Warren Unit Well No. 80, Unit G, Section 33
Hawk B-3 Well No. 15, Unit B, Section 3"

(2) That this order shall be effective nunc pro tunc as of February 15, 1982.

DONE at Santa Fe, New Mexico, on this 24th day of March, 1982.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L
fd/

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. 10220
Order No. R-6906-B

APPLICATION OF CONOCO INC. FOR
EXPANSION AND REDESIGNATION OF A
WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 24, 1991, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 15th day of March, 1991, 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) The applicant, Conoco Inc., seeks to amend Division Order No. R-6906 by expanding, contracting and redesignating its Conoco-Southland Blinebry Cooperative Waterflood Project, extend the vertical limits and to include additional injection wells into said project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6906, which authorized the Conoco-Southland Blinebry Cooperative Waterflood Project by the injection of water into the Blinebry Oil and Gas Pool through nine wells located in Sections 33 and 34, Township 20 South, Range 38 East and in Sections 3 and 4, Township 21 South, Range 38 East, NMPM, Lea County, New Mexico. Applicant proposes to redesignate said project and reestablish its area to include the S/2 S/2 of Section 22, all of Sections 26, 27, 33, and 34, and the N/2 N/2 of Section 35, Township 20 South, Range 38 East. Applicant also seeks to extend the vertical limits of said project to include both the Blinebry and Tubb formations. Further, the addition of 20 injection wells into said project area will be considered.

(3) Two injection wells in Sections 2 and 3, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, were approved by Order No. R-6906 as a part of the Conoco-Southland Blinebry Cooperative Waterflood Project. These two sections and the two injection wells are now a part of Shell's Northeast Drinkard Unit and should be excluded from Conoco's redesignated waterflood project. After expansion, as set out in Finding (2) above, Conoco proposes to redesignate the project as the "Warren Blinebry-Tubb Waterflood Project."

(4) Conoco began water injection into the cooperative project on January 24, 1983. Through August, 1990, 3,374,000 barrels of water had been injected. Production increased as a result of water injection in approximately one year. By 1985, the six producing wells within the 400-acre area affected by the flood were producing a total of 100 barrels of oil per day - an increase in production of 70 barrels of oil per day. The 400-acre area had produced 938,000 barrels of oil prior to the start of injection, and has produced 207,000 additional barrels since injection began.

(5) The Conoco project is bordered on the South by Shell's Northeast Drinkard Unit Waterflood Project. Shell is flooding the Blinebry, Tubb, and Drinkard simultaneously. Approval to water flood in this manner was obtained by OCD orders R-8541, R-8541-A and R-8541-B.

(6) Conoco's witnesses presented structure maps and cross-sections to show the relationship of the Blinebry and Tubb formations across the Conoco Warren Unit and the Shell Northeast Drinkard Unit.

(7) Wells in the Conoco project produce at relatively high gas-oil ratios. Since the flood started, overall gas-oil ratio has been approximately 6,000 cubic feet per barrel with some wells producing at up to 10,000 cubic feet per barrel, according to Conoco testimony. Conoco requested that no limit be placed on the gas-oil ratio allowed for the project.

(8) Applicant's witness testified that the reservoir qualities of the Blinebry and Tubb (which is immediately below the Blinebry) formations are very similar in this area. Both are composed of dolomite interbedded with anhydride. Porosity for both formations is approximately 8% and permeability is about 4.5 millidarcys. Based on Shell's successful project to the South, applicant believes the formations can be successfully flooded simultaneously.

(9) Conoco expects to recover a total of 4,305,000 barrels of oil from the expansion area. This includes 3,490,000 barrels of secondary oil. The project expansion would begin in 1991. Total life of the project would extend to the year 2017.

(10) The expanded project would utilize a 5-spot pattern with two injection wells and two producing wells per quarter section.

(11) At the hearing, applicant requested approval for 21 additional wells to be used for injection bringing the total in the project to 28. Seven will be newly drilled wells and 14 will be converted producing wells. Average injection rate would be approximately 500 barrels per well per day at an average pressure of 1700 psi. Maximum injection rate would be 700 barrels at maximum pressure of 2000 psi.

(12) Source water for injection will be sewage effluent from the City of Hobbs.

(13) Applicant submitted data on the proposed injection wells, water wells in the area, and all wells (including plugged wells) within 1/2 mile of the proposed injection which penetrate the zone of interest. This data shows that wells in the area are cased and plugged so as to protect fresh water and prevent fluid migration from the injection zone, and includes a statement indicating no evidence of open faults or any other hydrologic connection between the injection zone and the fresh water resources in the area.

(14) The proposed injection interval would be from the top of the Blinebry (75 feet above the Blinebry marker) down to the base of the Tubb formation (top of the Drinkard). These vertical limits are identified in the Conoco-Warren Unit Well No. 37, located in Unit J, Section 27, Township 20 South, Range 38 East, with the Blinebry top at 5,865 feet and the Tubb base at 6,741 feet. This is an overall interval of 876 feet.

(15) Testimony and exhibits submitted by applicant's witness indicates that plastic coated tubing set in packers will be used in all injection wells with packers set within 100 feet of the top perforations. Injection profiles will be run and the annular space will be monitored in each injection well.

(16) The injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 0.2 psi per foot of depth from the surface to the top injection perforation in any injection well, but the Division Director should have authority to increase the pressure limitation upon a proper showing that a pressure increase would not result in the fracturing of the injection formation or confining strata.

(17) Prior to initiating injection into any of the injection wells, the applicant should be required to pressure test the casing in each of the proposed injection wells from the surface to the proposed packer-setting depth to assure the integrity of said casing.

(18) The operator should give advance notification to the Supervisor of the Hobbs district office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity pressure test in order that the same may be witnessed.

(19) Applicant has applied to the OCD in Case No. 10245 for the creation and designation of the Warren Blinebry-Tubb Oil and Gas Pool. The pool would include the Blinebry and Tubb formations as described in Finding No. (14) above. The horizontal boundaries of the new pool would exactly coincide with the Conoco Warren Unit North Blinebry Waterflood Project (as set out in Findings (2) and (3) above) for which Conoco seeks approval by this order. The order in this case (No. 10220) should be approved concurrently with the order to be issued in Case No. 10245.

(20) No interested party appeared and objected to Conoco's application.

(21) This application should be approved to allow Conoco to recover an additional 4,305,000 barrels of oil; the project should be governed by the provisions of Rules 701 through 708 of the Oil Conservation Division Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The Conoco-Southland Blinebry Cooperative Waterflood Project is hereby redesignated the Conoco Warren Blinebry-Tubb Waterflood Project.

(2) The project shall be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

(3) The project area shall consist of the S/2 S/2 of Section 22, all of Sections 26, 27, 33 and 34 and the N/2 N/2 of Section 35, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

(4) The applicant is hereby authorized to expand the waterflood within the project area by drilling seven new injection wells and converting 14 producing wells to injection wells. These 21 injection wells and the seven currently approved injection wells are listed in Exhibit A which is attached to this order. Authorized injection interval for all 28 injection wells shall be from the top of the Blinebry (75 feet above the Blinebry marker) down to the base of the Tubb formation (top of the Drinkard). These vertical limits are identified in the Conoco Warren Unit Well No. 37, located in Unit J, Section 27, Township 20 South, Range 38 East, with the Blinebry top at 5,365 feet and the Tubb base at 6,741 feet.

(5) The injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 0.2 psi per foot of depth from the surface to the top of the injection perforation, provided however, the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such higher pressure will not result in fracturing of the injection formation or confining strata.

Case No. 10220
Order No. R-6906-B
Page 5

(6) Injection into each of said wells shall be through plastic or cement-lined tubing set in a packer which shall be located as near as practicable to the uppermost perforations, or, in the case of open hole completions, as near as practicable to the casing-shoe; the casing-tubing annulus shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak-detection device.

(7) Prior to initiating injection into any of the injection wells herein authorized, the applicant shall pressure-test the casing in each of the proposed injection wells from the surface to the proposed packer setting depth to assure the integrity of said casing.

(8) The applicant shall notify the supervisor of the Hobbs district office of the Division prior to conducting any casing pressure-test on any injection well shown on Exhibit "A".

(9) The applicant shall immediately notify the Supervisor of the Hobbs district office of the Division of the failure of the tubing or packer in any of the injection wells, the leakage of water or oil from or around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area, and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(10) Monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rules 704 and 1120 of the Division Rules and Regulations.

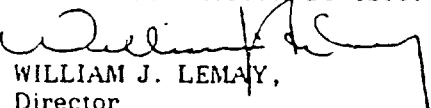
(11) This order is being approved concurrently with Order No. R-9467 in Case No. 10245 which creates and designates the Warren Blinebry-Tubb Oil and Gas Pool.

(12) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

(13) This order shall become effective on March 1, 1991.

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

dr/

EXHIBIT "A"
CASE NO. 10220 - ORDER NO. R-6906-B
Warren Blinebry-Tubb Waterflood Project
Conoco Inc.-Warren Unit Injection Wells,
Township 20 South, Range 38 East, NMPM, Lea County, New Mexico

<u>WELL NO.</u>	<u>LOCATION</u>	<u>SECTION</u>
70	660' FSL and 660' FEL, Unit P	22
56	660' FNL and 1980' FEL, Unit B	26
57	660' FNL and 660' FWL, Unit D	26
48	2030' FNL and 1980' FWL, Unit F	26
103	1980' FNL and 660' FEL, Unit H	26
49	1980' FSL and 1980' FEL, Unit J	26
59	1980' FSL and 660' FWL, Unit L	26
45	660' FSL and 1980' FWL, Unit N	26
104	660' FNL and 1980' FEL, Unit B	27
33	1980' FNL and 1980' FWL, Unit F	27
105	1980' FNL and 660' FEL, Unit H	27
37	1980' FSL and 1980' FEL, Unit J	27
41	660' FSL and 1980' FWL, Unit N	27
32	660' FSL and 660' FEL, Unit P	27
108	Footage Location Unavailable, Unit A	33
84	660' FNL and 1920' FWL, Unit C	33
80	1980' FNL and 1980' FEL, Unit G	33
17	1980' FSL and 660' FEL, Unit I	33
107	1980' FSL and 1980' FWL, Unit K	33
16	660' FSL and 1980' FEL, Unit O	33
39	660' FNL and 1980' FEL, Unit B	34
20	1980' FNL and 660' FWL, Unit E	34
102	1980' FNL and 1980' FEL, Unit G	34
109	1980' FSL and 660' FEL, Unit I	34
75	1980' FSL and 1980' FWL, Unit K	34
14	660' FSL and 660' FWL, Unit M	34
13	660' FSL and 1980' FEL, Unit O	34
79	660' FNL and 660' FWL, Unit D	35

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:

NOMENCLATURE

CASE NO. 10245
ORDER NO. R-9467

APPLICATION OF CONOCO, INC. FOR
POOL CREATION, SPECIAL POOL RULES,
AND CONTRACTION OF THE BLINEBRY
OIL AND GAS AND WARREN TUBB GAS
POOLS, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 21, 1991, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NCW, on this 15th day of March, 1991, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and having been 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) The record, evidence and testimony presented in Division Case No. 10220 were incorporated into the record in this case upon the request of the applicant.

(3) The applicant, Conoco Inc., seeks the creation of a new oil and gas pool for Blinebry and Tubb production comprising the following described acreage in Lea County, New Mexico, said pool to be designated the Warren-Blinebry Tubb Oil and Gas Pool, and the promulgation of special rules and regulations therefor,

CASE NO. 10245
ORDER NO. R-9467
PAGE 2

including a provision to allow for simultaneous dedication of pool acreage to both oil and gas wells, special gas allowable considerations, and any other provisions deemed necessary for such a pool:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 22: S/2 S/2
Section 26: All
Section 27: All
Section 33: All
Section 34: All
Section 35: N/2 N/2

(4) In conjunction with the proposed pool creation, the applicant further seeks the concomitant contraction of the Blinebry Oil and Gas Pool and the Warren-Tubb Gas Pool by the deletion therefrom the following described acreage:

Blinebry Oil & Gas Pool
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 22: S/2 SE/4
Section 26: All
Section 27: All
Section 33: All
Section 34: All
Section 35: N/2 N/2

Warren-Tubb Gas Pool
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: S/2
Section 25: SW/4
Section 26: All
Section 27: All
Section 34: NW/4
Section 35: NW/4
Section 36: NW/4

(4) The applicant further seeks the creation of a new gas pool for Tubb production comprising the following described

CASE NO. 10245
ORDER NO. R-9467
PAGE 3

acreage in Lea County New Mexico, said pool to be designated the East Warren-Tubb Gas Pool.

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: S/2
Section 24: SW/4
Section 25: W/2
Section 36: NW/4

(5) The applicant proposes that the upper and lower limits of the Warren-Blinebry Tubb Oil & Gas Pool be defined as a point 75 feet above the Blinebry marker and the base of the Tubb formation, respectively. The Blinebry marker having been found to occur at a depth of 5940 feet, and the base of the Tubb formation having been found to occur at a depth of 6741 feet on the Density/Neutron Log run on the Warren Unit Well No. 37, located in Unit J, Section 27, Township 20 South, Range 38 East, NMPM, on November 24, 1975 from a kelly bushing elevation of 3558 feet.

(6) The creation of the Warren Blinebry-Tubb Oil & Gas Pool is for the purpose of expanding the current North Blinebry Waterflood Project to include all of the above described horizontal acreage and vertical interval which was the subject of Division Case No. 10220.

(7) Conoco also seeks the promulgation of special rules and regulations for the proposed Warren Blinebry-Tubb Oil and Gas Pool.

(8) The applicant testified that over the operational history of the Blinebry Oil and Gas Pool and the Warren Tubb Oil and Gas Pool, the Division has allowed commingling of oil zones in the pools within the wellbores of numerous wells in the subject area.

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

(10) Consequently, the vertical interval containing the Blinebry and Tubb formations more closely resembles, at this

CASE NO. 10245
ORDER NO. R- 9467
PAGE 4

late stage of primary development, one common single source of supply.

(11) The applicant further presented evidence and testimony which indicates that secondary recovery operations conducted simultaneously within the Blinebry and Tubb formations would be the most efficient 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 two subject formations, the application of Conoco for the creation of a new oil and gas pool for the purpose of conducting secondary recovery operations should be approved.

(13) In order to assure the orderly development and operation of the proposed secondary recovery project within the Warren Blinebry-Tubb Oil and Gas Pool, special rules and regulations, including, but not limited to, well location requirements, classification, acreage dedication, and reporting procedures should be adopted.

(14) The applicant further requested at the hearing that the special rules and regulations allow for simultaneous dedication of acreage to oil and gas wells within the pool boundary, however, subsequent to the hearing the applicant informed the Division that such a provision was unnecessary.

(15) Since the above requests for contractions will create non-contiguous blocks in the Blinebry Oil and Gas Pool, the following described acreage should be added to said pool:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 21: SE/4
Section 22: N/2SW/4
Section 32: E/2 NE/4

IT IS THEREFORE ORDERED THAT:

(1) A new pool for Blinebry and Tubb production is hereby created and designated the Warren-Blinebry Tubb Oil and Gas Pool

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PAGE 5

with upper and lower limits defined as a point 75 feet above the Blinebry marker and the base of the Tubb formation, respectively. The Blinebry marker having been found to occur at a depth of 5940 feet, and the base of the Tubb formation having been found to occur at a depth of 6741 feet on the Density/Neutron Log run on the Warren Unit Well No. 37, located in Unit J, Section 27, Township 20 South, Range 38 East, NMPM, on November 24, 1975 from a kelly bushing elevation of 3558 feet, and comprising the following described acreage in Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 22: S/2 S/2
Section 26: All
Section 27: All
Section 33: All
Section 34: All
Section 35: N/2 N/2

(2) The horizontal boundaries of the Blinebry Oil and Gas Pool and the Warren-Tubb Gas Pool, are hereby contracted by the deletion therefrom the following described acreage:

Blinebry Oil & Gas Pool
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 22: S/2 SE/4
Section 26: All
Section 27: All
Section 33: All
Section 34: All
Section 35: N/2 N/2

Warren-Tubb Gas Pool
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: S/2
Section 25: SW/4
Section 26: All
Section 27: All
Section 34: NW/4
Section 35: NW/4
Section 36: NW/4

CASE NO. 10245
ORDER NO. R-9467
PAGE 6

(3) A new pool for Tubb production is hereby created and designated the East Warren-Tubb Gas Pool comprising the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 23: S/2
Section 24: SW/4
Section 25: W/2
Section 36: NW/4

(4) The Blinebry Oil and Gas Pool is hereby expanded to include the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 21: SE/4
Section 22: N/2SW/4
Section 32: E/2 NE/4

(5) Temporary special Rules and Regulations governing operations within the Warren-Blinebry Tubb Oil and Gas Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE
WARREN-BLINEBRY TUBB OIL AND GAS POOL

RULE 1. Each well completed or recompleted in the Warren-Blinebry Tubb Oil and Gas Pool or in the Blinebry or Tubb formations within the designated pool boundaries shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. A producing oil well within the Warren-Blinebry Tubb Oil and Gas Pool shall have dedicated to it a tract consisting of 40 acres comprised of a governmental quarter-quarter section or lot and shall be located no closer than 330 feet to any outer boundary of such tract.

RULE 3. The Division Director shall have authority to grant exceptions to the well location requirements of Rule

CASE NO. 10245
ORDER NO. R-9467
PAGE 7

2 in accordance with the terms and provisions of General Rule 104(F), and provided the requirements contained in said rule are complied with.

RULE 4. An oil well in the Warren-Blinbry Tubb Oil and Gas Pool shall be defined as a well producing hydrocarbons possessing a gravity of 45 degrees API or less.

RULE 5. Oil wells in the Warren-Blinbry Tubb Oil and Gas Pool shall have capacity allowables and shall be exempt from the oil and casinghead gas allowables as provided in either Division Rule 701 F(3) or Rules 503, 505, and 506.

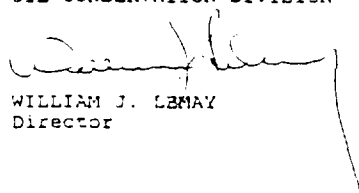
(6) The effective date of this order shall be March 1, 1991.

(7) The horizontal limits of the Warren-Blinbry Tubb Oil and Gas Pool shall be expanded only after notice and hearing, provided however, any expansion of said pool shall be only for the purpose of expanding or approving any secondary recovery operations within the pool.

(8) 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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

NOMENCLATURE

CASE NO. 10245
ORDER NO. R-9467-1

APPLICATION OF CONOCO, INC. FOR
POOL CREATION, SPECIAL POOL RULES,
AND CONTRACTION OF THE BLINEBRY OIL
AND GAS POOL AND WARREN-TUBB GAS POOL,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION
STAYING ORDER NO. R-9467

BY THE DIVISION:

This matter having come before the Division upon the request of Conoco, Inc. for a Stay of Division Order No. R-9467 and the Division Director having considered the request and being fully advised in the premises,

NOW, on this 11th day of April, 1991, the Division Director:

FINDS THAT:

(1) By Division Order No. R-9467, dated March 15, 1991, the Division at the request of Conoco, Inc. created, designated and promulgated Special Rules and Regulations for the Warren-Blinebry Tubb Oil and Gas Pool, located in Township 20 South, Range 38 East, NMPM, Lea County, New Mexico. Said order was a companion case to the Division's approval of Conoco's request for expansion of its Conoco Southland Blinebry Cooperative Waterflood Project in Division Case No. 10220 (Order No. R-0906-B).

(2) Further, Division Order No. R-9467 also provided for the following

- 1) an expansion and contraction to the horizontal limits of the Blinebry Oil and Gas Pool;

- 2) a contraction to the horizontal limits of the Warren-Tubb Gas Pool; and
 - 3) the creation and designation of the East Warren-Tubb Gas Pool
- (3) The effective date for said Order No. R-9467 was authorized to be March 1, 1991.
- (4) Subsequent to the issuance of said Order No. R-9467 the applicant, Conoco, Inc. has requested a 90-day postponement of the March 1, 1991 effective date of this order.
- (5) The applicant failed to solicit from the United States Bureau of Land Management (BLM) approval of a new and separate participating area for the acreage included in said waterflood expansion and in Order R-9467 prior to recognizing the existence of the newly created pool in their accounting system.
- (6) The Bureau of Land Management can not reclassify the subject wells according to the newly established OCD nomenclature until a new participating area has been requested by Conoco, justified by engineering and geological study, and approved by the BLM.
- (7) Because of the time required to file for and secure such BLM action the effective date used in Order No. R-9467, if implemented, will result in confusion and substantial administrative burden on the BLM, the NMOC and Conoco.
- (8) BLM action on this request could take at least ninety days and perhaps substantially longer.
- (9) Due to Conoco's oversight in this matter it is necessary for the efficient administration of this project that the March 1, 1991 effective date of the Division's Order R-9467 be stayed and coordinated to correspond to an effective date acceptable to the Bureau of Land Management.

IT IS THEREFORE ORDERED THAT:

- (1) Division Order R-9467 and its effective date of March 1, 1991 are hereby stayed pending further order of the Division

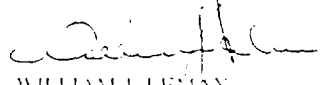
Case No. 10245
Order No. R-9467-A
Page No. 3

(2) This matter shall be placed on the next available Division Examiner's docket for Conoco, Inc. to appear and show cause why this Stay Order should not be vacated.

(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. LESLAY
Director

S E C R E T

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. 10245 (Reopened)
Order No. R-9467-B

IN THE MATTER OF CASE 10245 BEING REOPENED
PURSUANT TO THE PROVISIONS OF DIVISION ORDER
NO. R-9467-A, WHICH ORDER STAYED DIVISION ORDER
NO. R-9467, DATED MARCH 15, 1991, WHICH ORDER
IN TURN CREATED, DESIGNATED AND PROMULGATED
SPECIAL RULES AND REGULATIONS FOR THE WARREN
BLINEBRY-TUBB OIL AND GAS POOL, LOCATED IN
TOWNSHIP 20 SOUTH, RANGE 38 EAST, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 16, 1991, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 5th day of June, 1991, 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) By Order No. R-9467 dated March 15, 1991, the Division, upon application of Conoco Inc., created, defined and promulgated Special Rules and Regulations for the Warren Blinebry-Tubb Oil and Gas Pool, located in Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, for the purpose of conducting efficient waterflood operations within the boundaries of said pool.

CASE NO. 10245
Order No. R-9467-B
Page -2-

(3) Said order was a companion case to the Division's approval of Conoco's request for expansion of its Conoco Southland Blinbry Cooperative Waterflood Project in Division Case No. 10220 (Order No. R-6906-B).

(4) The effective date of said Order No. R-9467 was March 1, 1991.

(5) Subsequent to the issuance of said Order No. R-9467, Conoco requested a 90-day postponement of the March 1, 1991 effective date due to the fact that it failed to solicit from the United States Bureau of Land Management (BLM) approval of a new and separate participating area for the acreage included in said waterflood expansion and in Order No. R-9467 prior to recognizing the existence of the newly created pool in its accounting system.

(6) Conoco's request for stay was approved by Division Order No. R-9467-A, dated April 11, 1991, provided that Conoco appear at a hearing and present evidence and testimony to show cause why the stay order should not be vacated.

(7) The applicant's evidence and testimony in this case indicates that it is in the process of seeking BLM approval as described in Finding No. (5) above, and expects said approval within a short period of time.

(8) The applicant requested that the effective date of Order No. R-9467 be the first day of the month following the date in which BLM approval is granted.

(9) Subsequent to the hearing, the Division was notified that the BLM has approved the applicant's request described in Finding No. (5) above effective June 1, 1991.

(10) The effective date of Division Order No. R-9467, as amended, should be June 1, 1991.

IT IS THEREFORE ORDERED THAT:

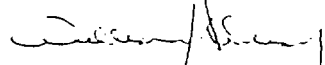
(1) Division Order No. R-9467 dated March 15, 1991, which order created, defined and promulgated Special Rules and Regulations for the Warren Blinbry-Tubb Oil and Gas Pool, located in Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby effective June 1, 1991.

(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 10245
Order No. R-9467-B
Page -3-

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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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. 10245 (Reopened)
Order No. R-9467-B

IN THE MATTER OF CASE 10245 BEING REOPENED
PURSUANT TO THE PROVISIONS OF DIVISION ORDER
NO. R-9467-A, WHICH ORDER STAYED DIVISION ORDER
NO. R-9467, DATED MARCH 15, 1991, WHICH ORDER
IN TURN CREATED, DESIGNATED AND PROMULGATED
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BLINEBRY-TUBB OIL AND GAS POOL, LOCATED IN
TOWNSHIP 20 SOUTH, RANGE 38 EAST, LEA COUNTY,
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ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 16, 1991, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 5th day of June, 1991, 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) By Order No. R-9467 dated March 15, 1991, the Division, upon application of Conoco Inc., created, defined and promulgated Special Rules and Regulations for the Warren Blinebry-Tubb Oil and Gas Pool, located in Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, for the purpose of conducting efficient waterflood operations within the boundaries of said pool.

(3) Said order was a companion case to the Division's approval of Conoco's request for expansion of its Conoco Southland Blinbry Cooperative Waterflood Project in Division Case No. 10220 (Order No. R-6906-B).

(4) The effective date of said Order No. R-9467 was March 1, 1991.

(5) Subsequent to the issuance of said Order No. R-9467, Conoco requested a 90-day postponement of the March 1, 1991 effective date due to the fact that it failed to solicit from the United States Bureau of Land Management (BLM) approval of a new and separate participating area for the acreage included in said waterflood expansion and in Order No. R-9467 prior to recognizing the existence of the newly created pool in its accounting system.

(6) Conoco's request for stay was approved by Division Order No. R-9467-A, dated April 11, 1991, provided that Conoco appear at a hearing and present evidence and testimony to show cause why the stay order should not be vacated.

(7) The applicant's evidence and testimony in this case indicates that it is in the process of seeking BLM approval as described in Finding No. (5) above, and expects said approval within a short period of time.

(8) The applicant requested that the effective date of Order No. R-9467 be the first day of the month following the date in which BLM approval is granted.

(9) Subsequent to the hearing, the Division was notified that the BLM has approved the applicant's request described in Finding No. (5) above effective June 1, 1991.

(10) The effective date of Division Order No. R-9467, as amended, should be June 1, 1991.

IT IS THEREFORE ORDERED THAT:

(1) Division Order No. R-9467 dated March 15, 1991, which order created, defined and promulgated Special Rules and Regulations for the Warren Blinbry-Tubb Oil and Gas Pool, located in Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby effective June 1, 1991.

(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.