

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. 14761
Order No. R-13480

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CONTRACTING,
REDESIGNATING AND EXTENDING VERTICAL
AND HORIZONTAL LIMITS OF CERTAIN POOLS
IN LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on November 10, 2011, at Santa Fe, New Mexico before Examiner David K. Brooks.

NOW, on this 16th day of November, 2011, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.
- (2) There is need for the contraction of the Blinebry Oil and Gas Pool (**Pool Code – Oil: 6660, Pro Gas: 72480**) in Lea County, New Mexico, in order to correct nomenclature.
- (3) There is need for the contraction of the Warren-Drinkard Pool (**Pool Code 63080**) in Lea County, New Mexico, in order to correct nomenclature.
- (4) There is need for the contraction of the East Warren-Drinkard Pool (**Pool Code 63120**) in Lea County, New Mexico, in order to correct nomenclature.
- (5) There is need for the contraction of the East Warren-Tubb Pool (**Pool Code 87085**) in Lea County, New Mexico, in order to correct nomenclature.

(6) There is need for the extension of the vertical limits of the Warren-Blinebry-Tubb Oil and Gas Pool (**Pool Code 62965**) in Lea County, New Mexico, to include the Drinkard formation and the redesignation of the pool as the Warren-Blinebry-Tubb-Drinkard Oil and Gas Pool (**Pool Code 62965**).

(7) There is need for extensions to the Blinebry Oil and Gas Pool, the D-K-Drinkard Pool, the Drinkard Pool, and the Warren-Blinebry-Tubb-Drinkard Oil and Gas Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) The Blinebry Oil and Gas Pool (**Pool Code – Oil: 6660, Pro Gas: 72480**) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 21: N/2 SE/4

Section 25: W/2

Section 29: S/2 SE/4 and SW/4

Section 35: S/2 N/2 and S/2

(b) The Warren-Drinkard Pool (**Pool Code 63080**) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 27: W/2 SE/4 and W/2

Section 28: All

Section 29: E/2

Section 32: E/2

Section 34: NW/4

(c) The East Warren-Drinkard Pool (**Pool Code 63120**) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 26: E/2

Section 35: NE/4

Section 36: W/2

(d) The East Warren-Tubb Pool (**Pool Code 87085**) in Lea County, New Mexico is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 25: W/2

(e) The vertical limits of the Warren-Blinebry-Tubb Oil and Gas Pool (**Pool Code 62965**) in Lea County, New Mexico are hereby extended to include the Drinkard formation and the pool is redesignated as the Warren-Blinebry-Tubb-Drinkard Oil and Gas Pool (**Pool Code 62965**).

(f) The Blinebry Oil and Gas Pool (**Pool Code – Oil: 6660, Pro Gas: 72480**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 22: S/2 NW/4

Section 30: E/2

Section 31: NE/4

Section 32: W/2 NE/4 and NW/4

Section 36: NE/4

TOWNSHIP 21 SOUTH, RANGE 38 EAST, NMPM

Section 6: Lots 3, 4, 5 and 6

(g) The D-K-Drinkard Pool (**Pool Code 15390**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 25: SE/4

Section 36: NE/4 and W/2

(h) The Drinkard Pool (**Pool Code 19190**) in Lea County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 32: E/2

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 4: Lots 2, 3, 4, 5, 6 and 7

(i) The Warren-Blinebry-Tubb-Drinkard Oil and Gas Pool (**Pool Code 62965**) is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 21: N/2 SE/4

Section 25: W/2

Section 29: SW/4 and S/2 SE/4

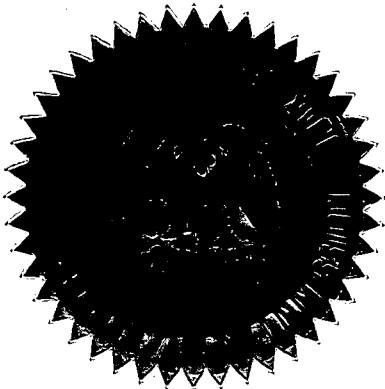
Section 35: E/2, SW/4, and S/2 NW/4

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that well or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within that 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all contractions, redesignations, and extensions of vertical and horizontal limits included herein shall be December 1, 2011.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Jami Bailey". The signature is fluid and cursive, written over the printed name.

JAMI BAILEY
Director