

CASE NO. 11479
Order No. R-10579
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(4) The subject wells are located within the Blinebry Oil and Gas Pool which is currently governed by the Special Rules and Regulations for the Blinebry Oil and Gas Pool and by the General Rules for the Prorated Gas Pools of New Mexico, all as contained within Division Order No. R-8170, as amended. These rules provide for 40-acre standard oil spacing and 160-acre standard gas spacing. Gas wells within the pool dedicated to a spacing unit comprising more than 40 acres are required to be located no closer than 660 feet from the outer boundary of the proration unit or quarter section nor closer than 330 feet from any governmental quarter-quarter section line or subdivision inner boundary. In addition, these rules prohibit the simultaneous dedication of acreage to both oil and gas wells.

(5) The evidence presented indicates that the New Mexico "S" State Lease comprises all of Section 2. The lease is owned and operated entirely by Exxon.

(6) The affected acreage in Section 2 is currently dedicated as follows in the Blinebry Oil and Gas Pool:

<u>CURRENT PRORATION UNIT</u>	<u>ACREAGE & OIL OR GAS UNIT</u>	<u>WELLS DEDICATED TO THIS PRORATION UNIT</u>
Lots 2 & 3 (Approved by Division Order No. R-10063)	79.52 Acres/Gas	N.M. "S" State No. 14
NW/4 NW/4	40 Acres/Oil	N.M. "S" State No. 39
SE/4 NW/4	40 Acres/Oil	N.M. "S" State No. 28
NE/4 SW/4	40 Acres/Oil	N.M. "S" State No. 27
SW/4 NW/4, NW/4 SW/4 (Approved by Division Administrative Order NSP-1667)	80 Acres/Gas	N.M. "S" State No. 38 N.M. "S" State No. 21
SW/4 SW/4	40 Acres/Oil	N.M. "S" State No. 22 (This well is currently is a gas well)
SE/4 SW/4	40 Acres/NA	Acreage not currently dedicated, however this unit contains N.M. "S" State Well Nos. 25 & 42