

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. Oil & Gas Division  
1625 N. French Dr.  
Hobbs, NM 88240

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT-" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator  
Arch Petroleum Inc.

3. Address and Telephone No.  
P. O. Box 10340, Midland, TX 79702-7340 (915)685-8100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
550' FNL & 990' FWL, Section 27, T23S, R37E

5. Lease Designation and Serial No.  
NMLC-030187

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
C. E. Lamunyon #45

9. API Well No.  
30-025-25919

10. Field and Pool, or Exploratory Area  
Teague Paddock Blinbry

11. County or Parish, State  
Lea County, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Commingling Teague Blinbry and Paddock

- ☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Arch Petroleum Inc. has commingled the Teague Blinbry and Paddock in the above captioned well per Order No. R-10776 (Attached).

**SUBJECT TO  
LIKE APPROVAL  
BY STATE**

(ORIG. SGD.) GARY GOURLEY

14. I hereby certify that the foregoing is true and correct

Signed Gary Gourley  
(This space for Federal or State office use)

Title Operation Tech

Date 09/25/00

Approved by \_\_\_\_\_  
Conditions of approval, if any:

Title \_\_\_\_\_

Date \_\_\_\_\_

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Case No. 11737  
Order No. R-10776  
Page -11-

TOWNSHIP 18 SOUTH RANGE 32 EAST NMPM

Section 33: SE/4

(z) The Teague-Paddock Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 23 SOUTH RANGE 37 EAST NMPM

Section 34: NE/4

is hereby abolished.

(aa) The Teague-Abo Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 23 SOUTH RANGE 37 EAST NMPM

Section 22: SW/4

(bb) The vertical limits of the Teague-Blinebry Pool in Lea County, New Mexico, are hereby extended to include the Paddock formation and said pool is redesignated as the Teague-Paddock-Blinebry Pool.

(cc) The East Warren-Tubb Gas Pool in Lea County, New Mexico, is hereby reclassified as an oil pool and redesignated as the East Warren-Tubb Pool.

(dd) The North Allison-San Andres Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH RANGE 37 EAST NMM

Section 17: SW/4

(ee) The East Bell Lake-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH RANGE 34 EAST NMPM

Section 34: NE/4

(ff) The Byers-Yates Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

## SECTION III

R. W. Byram &amp; Co., - June, 1999

**CARLSBAD PERMO-PENNSYLVANIAN GAS POOL**  
Eddy County, New Mexico

Order No. R-3282, July 27, 1967, Establishing Pool.

Pool abolished by Order No. R-6698, June 1, 1981.

**GOLDEN LANE-STRAWN GAS POOL**  
Eddy County, New Mexico

Order No. R-3280, August 1, 1967, Establishing Pool, as Amended by Order No. R-3853, November 1, 1969; Order No. R-4377, September 1, 1972; Order No. R-4540, June 1, 1973; Order No. R-4734, March 1, 1974; Order No. R-4861, November 1, 1974; Order No. R-5204, May 1, 1976; Order No. R-6994, June 1, 1982; Order No. R-8229, June 1, 1986.

T-20-S, R-30-E E/2 Sec. 21; Sec. 28; S/2 Sec. 29; E/2 Sec. 31; Sec. 32; W/2 Sec. 33.

T-21-S, R-29-E Lots 1 through 16 Sec. 4; Lots 1 through 16 Sec. 5.

**EAST PADUCA-DELAWARE POOL**  
Lea County, New Mexico

Order No. R-3280, August 1, 1967, Establishing Pool, as Amended by Order No. R-7858, April 1, 1985.

T-25-S, R-32-E SE/4 SE/4 Sec. 14; NE/4 Sec. 23.

**QUAIL-QUEEN POOL**  
Lea County, New Mexico

Order No. R-3280, August 1, 1967, Establishing Pool, as Amended by Order No. R-3681, March 1, 1969; Order No. R-3843, October 1, 1969; Order No. R-3995, August 1, 1970; Order No. R-7858, April 1, 1985; Order No. R-8533, November 1, 1987; Order No. R-9120, March 1, 1990.

T-19-S, R-34-E Sec. 11; S/2 Sec. 12; W/2 Sec. 13; E/2 Sec. 14; NE/4 Sec. 23.

T-19-S, R-35-E SW/4 Sec. 7; S/2, NW/4 Sec. 18.

**TEAGUE-PADDOCK-BLINEBRY POOL**  
(Formerly Teague-Blinebry Pool)  
Lea County, New Mexico

Order No. R-3280, August 1, 1967, Establishing Pool, as Amended by Order No. R-3355, January 1, 1968; Order No. R-3389, April 1, 1968; Order No. R-3402, May 1, 1968; Order No. R-3438, July 1, 1968; Order No. R-3530, November 1, 1968; Order No. R-3667, February 1, 1969; Order No. R-3731, May 1, 1969; Order No. R-3895, January 1, 1970; Order No. R-4329, July 1, 1972; Order No. R-7131, December 1, 1982; Order No. R-8981, September 1, 1989; Order No. R-9723, October 1, 1992; Order No. R-9937, August 1, 1993; Order No. R-10641, September 1, 1996; Order No. R-10776, March 1, 1997.

T-23-S, R-37-E SW/4 Sec. 15; S/2 Sec. 16; E/2 Sec. 17; NE/4 Sec. 20; Sec. 21; W/2, SE/4 Sec. 22; Secs. 27, 28; E/2 Sec. 33; Sec. 34; W/2 Sec. 35.

T-24-S, R-37-E NW/4 Sec. 2; N/2 Sec. 3.

**NORTH MORTON-PERMO PENNSYLVANIAN POOL**  
Lea County, New Mexico

Order No. R-3315, September 11, 1967, Establishing Pool, as Amended by Order No. R-3367, February 1, 1968; Order No. R-3389, April 1, 1968; Order No. R-3505, October 1, 1968; Order No. R-3562, December 1, 1968; Order No. R-3709, April 1, 1969; Order No. R-4734, March 1, 1974; Order No. R-5215, June 1, 1976; Order No. R-5456, July 1, 1977; Order No. R-7955, June 12, 1985.

T-14-S, R-35-E SW/4 Sec. 29; Sec. 31; NW/4 Sec. 32.  
T-15-S, R-35-E NW/4 Sec. 6.**NORTHWEST VACUUM-ARO POOL**  
Lea County, New Mexico

Order No. R-3295, September 1, 1967, Establishing Pool, as Amended by Order No. R-3342, December 1, 1967.

Pool abolished by Order No. R-4194, October 1, 1971.

**SOUTH MCCORMACK-SILURIAN POOL**  
Lea County, New Mexico

Order No. R-3295, September 1, 1967, Establishing Pool, as Amended by Order No. R-3355, January 1, 1968; Order No. R-3758, June 1, 1969; Order No. R-4080, January 1, 1971; Order No. R-4155, July 1, 1971; Order No. R-11183, June 1, 1999.

T-22-S, R-37-E NW/4, SE/4, NE/4 SW/4 Sec. 16; NE/4 Sec. 21; S/2, NW/4 Sec. 22.

**PADUCA-MORROW GAS POOL**  
Eddy County, New Mexico

Order No. R-3319, October 1, 1967, Establishing Pool, as Amended by Order No. R-3853, November 1, 1969; Order No. R-4014, September 1, 1970.

T-24-S, R-31-E W/2 Sec. 35.

T-25-S, R-31-E W/2 Sec. 1; N/2 Sec. 2; W/2 Sec. 12.

**PADUCA-WOLFCAMP GAS POOL**  
Eddy County, New Mexico

Order No. R-3319, October 1, 1967, Establishing Pool.

T-25-S, R-31-E NE/4 Sec. 2.

Page 238 New Mexico

## SECTION III

R. W. Byram &amp; Co., - May, 1958

**SOUTHWEST HOUSE YATES-SEVEN RIVERS GAS POOL**  
Lea County, New Mexico

Order No. R-9615, December 1, 1991, Establishing Pool, as Amended by Order No. R-9685, July 1, 1992; Order No. R-10091, April 1, 1994.

T-20-S, R-38-B SW/4 Sec. 11; N/2 Sec. 14.

**SOUTH LUSK-BONE SPRING POOL**  
Lea County, New Mexico

Order No. R-9615, December 1, 1991, Establishing Pool.

T-19-S, R-32-E NW/4 Sec. 32.

**NORTH QUERECHO PLAINS-DELAWARE POOL**  
Lea County, New Mexico

Order No. R-9615, December 1, 1991, Establishing Pool, as Amended by Order No. R-9685, July 1, 1992.

T-18-S, R-32-E E/2 Sec. 24.

**CEDAR CANYON-BONE SPRING POOL**  
Eddy County, New Mexico

Order No. R-9625, February 1, 1992, Establishing Pool, as Amended by Order No. R-9837, February 1, 1993; Order No. R-10124, June 1, 1994; Order No. R-10343, May 1, 1995; Order No. R-10787, May 1, 1997.

T-24-S, R-29-E E/2, SE/4 SW/4 Sec. 3; N/2 Sec. 10.

**TANSILL DAM-ATOKA GAS POOL**  
Eddy County, New Mexico

Order No. R-9625, February 1, 1992, Establishing Pool.

T-22-S, R-27-E W/2 Sec. 5.

**NORTHWEST BOOTLEG RIDGE-DELAWARE POOL**  
Lea County, New Mexico

Order No. R-9646, April 1, 1992, Establishing Pool, as Amended by Order No. R-9937, August 1, 1993.

T-22-S, R-32-E E/2 and SW/4 Sec. 11; NW/4 Sec. 12.

**EAST FEATHER-UPPER PENNSYLVANIAN POOL**  
Lea County, New Mexico

Order No. R-9646, April 1, 1992, Establishing Pool.

T-15-S, R-32-E SE/4 Sec. 14.

**GRAMA RIDGE-DELAWARE POOL**  
Lea County, New Mexico

Order No. R-9646, April 1, 1992, Establishing Pool.

T-21-S, R-34-E SW/4 Sec. 26; SE/4 Sec. 27.

**HALFWAY-MORROW GAS POOL**  
Lea County, New Mexico

Order No. R-9646, April 1, 1992, Establishing Pool.

T-20-S, R-33-E S/2 Sec. 26.

**NORTHWEST JENKINS-DEVONIAN POOL**  
Lea County, New Mexico

Order No. R-9646, April 1, 1992, Establishing Pool.

T-9-S, R-34-E NW/4 Sec. 5.

**EAST LIVINGSTON RIDGE-DELAWARE POOL**  
Lea County, New Mexico

Order No. R-9646, April 1, 1992, Establishing Pool, as Amended by Order No. R-9685, July 1, 1992; Order No. R-9723, October 1, 1992; Order No. R-9937, August 1, 1993; Order No. R-10177, September 1, 1994; Order No. R-10303, February 1, 1995; Order No. R-10342, May 1, 1995; Order No. R-10488, November 1, 1995; Order No. R-10556, March 1, 1996.

T-22-S, R-32-E SW/4 Sec. 3; SE/4 Sec. 4; SE/4 Sec. 7; E/2 Sec. 9; W/2 Sec. 10; W/2, SE/4 Sec. 15; Sec. 16; S/2 Sec. 17; E/2, NW/4 Sec. 18; NE/4 Sec. 21; NW/4 Sec. 22.

**NORTH TEAGUE LOWER PADDOCK-BLINEBRY ASSOCIATED POOL**  
(Formerly North Teague-Blinebry Gas Pool)  
Lea County, New Mexico

Order No. R-9646, April 1, 1992, Establishing Pool, as Amended by Order No. R-9937, August 1, 1993; Order No. R-10091, April 1, 1994; Order No. R-5353-Q, September 26, 1994; Order No. R-10342, May 1, 1995; Order No. R-10556, March 1, 1996.

T-23-S, R-37-E S/2 Sec. 4; NE/4 Sec. 8; N/2, SW/4 Sec. 9.

## SECTION II

R. W. Byram &amp; Co., - June, 1996

# NORTH TEAGUE LOWER PADDOCK-BLINEBRY ASSOCIATED POOL Lea County, New Mexico

Order No. R-5353-Q, Adopting Temporary Special Rules and Regulations for the North Teague Lower Paddock-Blinebry Associated Pool, Lea County, New Mexico, September 26, 1994.

Order No. R-5353-Q-1, effective May 30, 1996, makes permanent the classification of this pool as an associated pool and continues in full force and effect the temporary rules adopted in Order No. R-5353-Q.

Application of Texaco Exploration and Production Inc. for Pool Reclassification, Pool Expansion, the Promulgation of Special Pool Rules, and the further Amendment of Division Order No. R-5353, Lea County, New Mexico.

## ORDER OF THE DIVISION

BY THE DIVISION: This cause came on for hearing at 8:15 a.m. on July 7, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 26th day of September, 1994, 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. 11016, 11017 and 11018 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Texaco Exploration and Production Inc., seeks the reclassification of the North Teague Lower Paddock-Blinebry Gas Pool, Lea County, New Mexico, as an "associated pool", and to adopt the "General Rules and Regulations for the Associated Oil and Gas Pools in Northwest and Southeast New Mexico", as promulgated by Division Order No. R-5353, as amended, as the rules governing this pool, including provisions for 40-acre oil and 160-acre gas spacing and proration units. The applicant further seeks to establish a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil for this pool.

(4) The applicant further seeks to expand the horizontal limits of the proposed pool to include the NE/4 of Section 8 and the SW/4 of Section 9, all in Township 23 South, Range 37 East, NMPM.

(5) The North Teague-Blinebry Gas Pool was created by Division Order No. R-9646 on March 11, 1992. The discovery well for the pool was the Texaco Exploration and Production Inc. B. F. Harrison "B" Well No. 5 located 1950 feet from the North line and 560 feet from the West line (Unit E) of Section 9, Township 23 South, Range 37 East, NMPM, which was completed in the Blinebry formation in October, 1991.

(6) By Order No. R-9937 dated August 17, 1993, the Division extended the vertical limits of the North Teague-Blinebry Gas Pool to include the Lower Paddock formation and redesignated the pool as the North Teague Lower Paddock-Blinebry Gas Pool.

(7) The North Teague Lower Paddock-Blinebry Gas Pool currently comprises the N/2 of Section 9, Township 23 South, Range 37 East, NMPM.

(8) The North Teague Lower Paddock-Blinebry Gas Pool is offset to the northeast by the West Blinebry Pool, an oil pool whose vertical limits include the Blinebry and Lower Paddock formations and whose horizontal limits include the SW/4 and N/2 of Section 3.

(9) The North Teague Lower Paddock-Blinebry Gas Pool is also offset to the south and southeast by the Teague-Blinebry Pool, an oil pool whose northern boundary comprises the NE/4 of Section 17.

(10) Texaco proposes to develop the Lower Paddock-Blinebry oil and gas reserves within this area concurrently and in conjunction with the development of the oil and gas reserves within the Tubb formation (being the subject of Division Case No. 11016), and the Drinkard-Abo formations (being the subject of Division Case No. 11018).

(11) The applicant currently has four wells producing from the Blinebry formation in this immediate area, these being:

the aforesaid B. F. Harrison "B" Well No. 5 located in Unit E of Section 9 which was completed in the Blinebry formation in October, 1991;

the B. F. Harrison "C" Well No. 1 located in Unit L of Section 9 which was completed in the Blinebry formation in July, 1993;

the F. B. Davis Well No. 3 located in Unit H of Section 8 which was completed in the Blinebry formation in January, 1994; and

the G. W. Sims Well No. 3 located in Unit B of Section 9 which was completed in the Blinebry formation in January, 1994.

(12) According to Division records, the B. F. Harrison "C" Well No. 1, the F. B. Davis Well No. 3, and the G. W. Sims Well No. 3 are currently classified as being in the Teague-Blinebry Pool, although to date the Division has not extended the pool boundaries of the Teague-Blinebry Pool to include this acreage.

(13) Texaco's proposal would place the four wells described in Finding No. (11) above within the redesignated pool.

(14) The applicant presented geologic evidence and testimony to support its request for pool reclassification and extension. This evidence indicates that the proposed Lower Paddock-Blinebry pool is:

a) a circular shaped feature of limited extent draped over a structural high centered approximately in the NW/4 of Section 9. The trap of the reservoir is formed by a down structural limit of effective porosity within the Blinebry formation;

b) a single structure feature geologically separated from the Teague-Blinebry Pool; and,

c) a single common source of supply separated from and not in communication with any other Blinebry pool in this area as evidenced by bottomhole pressure buildup data which indicated original reservoir pressure following initial discovery.

(15) The geologic evidence further indicates that the B. F. Harrison "C" Well No. 1, the F. B. Davis Well No. 3, and the G. W. Sims Well No. 3 should be placed within the proposed Lower Paddock-Blinebry pool.

(16) It has become the recent practice of the Division to include the Lower Paddock formation within Blinebry pools in this area as evidenced by the recent extension of the North Teague-Blinebry Gas Pool, the Clins-Blinebry Pool and the West Blinebry Pool to include the Lower Paddock formation (all extensions approved by Division Order No. R-9937).

(17) According to applicant's testimony, there is potential for Lower Paddock production in its wells in this area.

(18) Should the North Teague Lower Paddock-Blinebry Gas Pool be reclassified, the Lower Paddock formation should remain included within the vertical limits of the pool.

(19) Production data presented by the applicant indicates that the B. F. Harrison "C" Well No. 1, the F. B. Davis Well No. 3, and the G. W. Sims Well No. 3 exhibit production characteristics indicative of oil wells while the B. F. Harrison "B" Well No. 5 exhibits production characteristics indicative of a gas well.

**(NORTH TEAGUE LOWER PADDOCK-BLINEBRY ASSOCIATED POOL - Cont'd.)**

(20) Although the B. F. Harrison "B" Well No. 5 is approximately 20 feet upstructure from the nearest oil well, there is no indication that a gas cap exists or is being formed up-structure to the oil wells.

(21) The applicant contends that the occurrence of increased volumes of gas production in the B. F. Harrison "B" Well No. 5 is attributed to the presence of small higher porosity stringers in the Blinbry formation which are both laterally and horizontally discontinuous.

(22) "Associated pools" have historically been defined as those pools that have a gas cap overlying an oil zone.

(23) Although the proposed pool does not exhibit the reservoir characteristics of an "associated pool", it appears to exhibit similar reservoir characteristics as found in the Blinbry Oil and Gas Pool and the Tubb Oil and Gas Pool, namely it is a complex reservoir system of interrelated gas-bearing and oil-bearing stringers.

(24) The proposed pool is located approximately 2 1/2 miles south of the southern boundary of the Blinbry Oil and Gas Pool.

(25) Although not officially classified as "associated pools", the Blinbry Oil and Gas Pool and the Tubb Oil and Gas Pool are both essentially governed by the same rules applicable to "associated pools" as contained within Division Order No. R-5353, as amended, namely 40-acre oil and 160-acre gas spacing, a gas/oil ratio cutoff point in distinguishing between gas wells and oil wells of 50,000 cubic feet of gas per barrel of oil and restricted well location requirements.

(26) The reservoir data currently available indicates that the North Teague-Blinbry Gas Pool should be reclassified as an "associated pool" and should be governed by the "General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico".

(27) The subject pool should be designated the North Teague-Lower Paddock-Blinbry Associated Pool and should initially comprise the N/2 and SW/4 of Section 9, and the NE/4 of Section 8, both in Township 23 South, Range 37 East, NMPM.

(28) The preliminary reservoir data indicates that the North Teague Lower Paddock-Blinbry Associated Pool may be efficiently and effectively developed on 40-acre oil and 160-acre gas spacing. In addition, the evidence indicates that a gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil should be established for a temporary period of time, pending the gathering of additional reservoir data.

(29) The North Teague Lower Paddock-Blinbry Associated Pool should be governed by the "General Rules and Regulations for the Associated Oil and Gas Pools of Northwest and Southeast New Mexico", as promulgated by Division Order No. R-5353, as amended, for a temporary period of eighteen months to permit Texaco the opportunity to gather additional reservoir data. This case should be reopened at an examiner hearing in March, 1996, at which time the operators in the subject pool should be prepared to appear and show cause why the North Teague Lower Paddock-Blinbry Associated Pool should not be reclassified as an oil pool and to show cause why a gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil is appropriate for this pool.

(30) At the hearing the applicant requested that the rules and regulations promulgated herein be made effective retroactive to March 11, 1992, being the date of the issuance of Division Order No. R-9646, which order created the North Teague-Blinbry Gas Pool.

(31) The applicant presented no evidence or testimony which would indicate that a retroactive effective date for the special rules promulgated herein is necessary, therefore this request should be denied.

**IT IS THEREFORE ORDERED THAT:**

(1) The North Teague Lower Paddock-Blinbry Gas Pool, which currently comprises the N/2 of Section 9, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby reclassified as an "associated pool" and redesignated the North Teague Lower Paddock-Blinbry Associated Pool.

(2) The North Teague Lower Paddock-Blinbry Associated Pool is hereby extended to include the NE/4 of Section 8, and the SW/4 of Section 9, both in Township 23 South, Range 37 East, NMPM.

(3) The North Teague Lower Paddock-Blinbry Associated Pool shall be governed by the "General Rules and Regulations for the Associated Oil and Gas Pools in Northwest and Southeast New Mexico", as promulgated by Division Order No. R-5353, as amended, insofar as said General Rules and Regulations are not inconsistent with the Special Rules and Regulations for the subject pool as hereinafter set forth, in which event the Special Rules shall apply.

**TEMPORARY SPECIAL RULES AND REGULATIONS FOR THE NORTH TEAGUE LOWER PADDOCK-BLINEBRY ASSOCIATED POOL**

**RULE 2 (a).** A standard oil proration unit shall comprise 40 acres. A standard gas proration unit shall comprise 160 acres. Top oil allowable for a 40-acre oil proration unit shall be 107 barrels of oil per day.

**RULE 6.** The limiting gas-oil ratio for the North Teague Lower Paddock-Blinbry Associated Pool shall be 6,000 cubic feet of gas per barrel of oil.

**IT IS FURTHER ORDERED THAT**

(4) The location of all wells presently drilling to or completed in the North Teague Lower Paddock-Blinbry Associated Pool or in the Lower Paddock-Blinbry formation within one mile thereof are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well within 30 days from the date of this order.

Pursuant to Paragraph A of Section 70-2-18, N.M.S.A. 1978 Comp., contained in Laws of 1969, Chapter 271, existing oil wells in the North Teague Lower Paddock-Blinbry Associated Pool shall have dedicated thereto 40 acres and existing gas wells shall have dedicated thereto 160 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating the appropriate acreage to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable until a non-standard spacing unit has been approved and, subject to said 60-day limitation, each well presently drilling to or completed in the North Teague Lower Paddock-Blinbry Associated Pool or in its corresponding vertical limits, or within one mile thereof, shall receive no more than a 40-acre allowable for the pool.

(5) This case shall be reopened at an examiner hearing in March, 1996, at which time the operators in the subject pool should be prepared to appear and show cause why the North Teague Lower Paddock-Blinbry Associated Pool should not be reclassified as an oil pool and to show cause why a gas-oil ratio limitation of 6,000:1 is appropriate for this pool.

(6) 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.

# SECTION I

R. W. Byram & Co., - Aug., 1999

## DRILLING - Cont'd.)

(b) In all counties except San Juan, Rio Arriba, Sandoval, and McKinley, a wildcat well is any well to be drilled the spacing unit of which is a distance of one mile or more from:

- (i) the outer boundary of any defined pool that has produced oil or gas from the formation to which the well is projected to be drilled; and
- (ii) any well that has produced oil or gas from the formation to which the proposed well is projected.

## (2) DEVELOPMENT WELL

(a) Any well that is not a wildcat well shall be classified as a development well for the nearest pool that has produced oil or gas from the formation to which the well is projected to be drilled. Such development well shall be spaced, drilled, operated, and produced in accordance with the rules in effect for that pool, provided the well is completed in that pool.

(b) Any well classified as a development well for a pool but completed in a producing formation not included in the vertical limits of that pool shall be operated and produced in accordance with the rules in effect for the nearest pool that is producing from that formation within the two miles in San Juan, Rio Arriba, Sandoval, and McKinley Counties or within one mile everywhere else. If there is no designated pool for that producing formation within the two miles in San Juan, Rio Arriba, Sandoval, and McKinley Counties or within one mile everywhere else, the well shall be re-classified as a wildcat well.

## 104.B.

### OIL WELL ACREAGE AND WELL LOCATION REQUIREMENTS (As Amended by Order No. R-5113, November 1, 1975; Order No. R-10533, January 18, 1996; Order No. R-10534, February 1, 1996; Order No. R-10815, June 5, 1997; and Order No. R-11231, August 12, 1999.)

(1) Any wildcat well that is projected to be drilled as an oil well to a formation and in an area that in the opinion of the Division may reasonably be presumed to be productive of oil rather than gas and each development well for a defined oil pool, unless otherwise provided in special pool orders, shall be located on a spacing unit consisting of approximately 40 contiguous surface acres substantially in the form of a square which is a legal subdivision of the U.S. Public Land Surveys, which is a governmental quarter-quarter section or lot, and shall be located no closer than 330 feet to any boundary of such unit. Only those 40-acre spacing units committed to active secondary recovery projects shall be permitted more than four wells.

(2) If a well drilled as an oil well is completed as a gas well but does not conform to the applicable gas well location rules, the operator must apply for administrative approval for a non-standard location before the well can produce. The Director may set any such application for hearing.

## 104.C.

### GAS WELLS ACREAGE AND WELL LOCATION REQUIREMENTS (As Amended by Order No. R-4383, September 6, 1972; Order No. R-5113, November 1, 1975; Order No. R-10533, January 18, 1996; Order No. R-10534, February 1, 1996; Order No. R-10815, June 5, 1997; and Order No. R-11231, August 12, 1999.)

Any wildcat well that is projected to be drilled as a gas well to a formation and in an area that in the opinion of the Division may reasonably be presumed to be productive of gas rather than oil and each development well for a defined gas pool, unless otherwise provided in special pool orders, shall be spaced and located as follows:

(1) **640-ACRE SPACING** applies to any deep gas well in Rio Arriba, San Juan, Sandoval or McKinley County that is projected to be drilled to a gas producing formation older than the Dakota formation or is a development well within a gas pool created and defined by the Division after June 1, 1997 in a formation older than the Dakota formation, which formation or pool is located within the surface outcrop of the Pictured Cliffs formation (i.e., the San Juan Basin). Such well shall be located on a spacing unit consisting of 640 contiguous surface acres, more or less, substantially in the form of a square which is a section and legal subdivision of the U.S. Public Land Surveys and shall be located no closer than: 1200 feet to any outer boundary of the spacing unit, 130 feet to any quarter section line, and 10 feet to any quarter-quarter section line or subdivision inner boundary.

(2) **320-ACRE SPACING** applies to any deep gas well in Lea, Chaves, Eddy or Roosevelt County, defined as a well that is projected to be drilled to a gas producing formation or is within a defined gas pool in the Wolfcamp or an older formation. Such well shall be located on a spacing unit consisting of 320 surface contiguous acres, more or less, comprising any two contiguous quarter sections of a single section that is a legal subdivision of the U.S. Public Land Surveys provided that:

(a) the initial well on a 320-acre unit is located no closer than 660 feet to the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary;

(b) only one infill well on a 320-acre unit shall be allowed provided that the well is located in the quarter section of the 320-acre unit not containing the initial well and is no closer than 660 feet to the outer boundary of the quarter section and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary; and

(c) the Division-designated operator for the infill well is the same operator currently designated by the Division for the initial well.

(3) **160-ACRE SPACING** applies to any other gas well not covered above. Such well shall be located in a spacing unit consisting of 160 surface contiguous acres, more or less, substantially in the form of a square which is a quarter section and a legal subdivision of the U.S. Public Land Surveys and shall be located no closer than 660 feet to any outer boundary of such unit and no closer than 10 feet to any quarter-quarter section or subdivision inner boundary.