

CASE 5814: SOUTHEASTERN NEW MEXICO
NOMENCLATURE CASE FOR NOVEMBER, 1976

CASE NO.

5814

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

Also put the Kennedy Perm contraction of extension from last no back on

Memo

To John Lemmon

I pulled the extension of the Tam-Tom San Andres Pool in Chaves off of the Koozueh nomenclature since it was the only Chooslanuty action on a rather lengthy ad. Let's put it on another time.

cc Carl Wlog

D. S. NUTTER
CHIEF ENGINEER

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 23, 1976

EXAMINER HEARING

IN THE MATTER OF:

Southeastern New Mexico nomenclature) CASE
case calling for the creation and) 5814
extension of certain pools in Lea and)
Eddy Counties, New Mexico.)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
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I N D E X

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CARL ULVOG

Direct Examination by Ms. Teschendorf

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EXHIBIT INDEX

Offered

Admitted

Staff Exhibit One, Series of Plats

4

5

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Phone (505) 982-9212

1 MR. NUTTER: We will call Case Number 5814.

2 MS. TESCHENDORF: Case 5814, Southeastern New Mexico
3 nomenclature case calling for the creation and extension of
4 certain pools in Lea and Eddy Counties, New Mexico.

5 MR. NUTTER: Call for appearances in this case.

6 MS. TESCHENDORF: Lynn Teschendorf representing
7 the Commission and I have one witness.

8 (THEREUPON, the witness was duly sworn.)

9
10 CARL ULVOG

11 called as a witness, having been first duly sworn, was
12 examined and testified as follows:

13
14 DIRECT EXAMINATION

15 BY MS. TESCHENDORF:

16 Q State your name and position for the record, please?

17 A Carl Ulvog, Senior Geologist for the Oil Conservation
18 Commission, based in Santa Fe.

19 Q Are you prepared to make recommendations to the
20 Commission concerning the nomenclature of certain pools in
21 Lea and Eddy Counties, New Mexico?

22 A Yes, I am.

23 Q Are your recommendations prepared in the form of an
24 exhibit?

25 A Yes, they are, in the form of an exhibit consisting

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1 of a series of plats which describe the proposed actions.

2 Q That is Exhibit One?

3 A That is correct.

4 Q Would you please refer to this exhibit and to the
5 docket that has been prepared and distributed at this hearing
6 and point out any substantial differences between the two?

7 A Yes, I will. There are no substantial differences
8 between the docket and what we are here proposing, with one
9 exception and it is a typographical omission, and that is in
10 the case of paragraph (o) where the docket reads that we will
11 contract the vertical limits of the Kemnitz-Pennsylvanian
12 Pool in Lea County, New Mexico to the Cisco formation only,
13 redesignating said pool the Kemnitz-Cisco Pool and redefining
14 said pool to comprise, and so on. That should state:
15 Redesignating said pool to the West Kemnitz-Cisco Pool.

16 There are no other differences.

17 MR. NUTTER: In other words, we are adding the word
18 "West" to the Kemnitz-Cisco Pool that is proposed?

19 A That is correct and that is shown on the exhibits
20 and that is what we are proposing. There was previously a
21 Kemnitz-Cisco Pool.

22 Q (Ms. Teschendorf continuing.) Was Exhibit One
23 prepared by you or under your supervision?

24 A That is correct.

25 Q Do you have anything further to add to your

1 testimony in this case?

2 A No, Ma'am.

3 MS. TESCHENDORF: At this time I would offer Exhibit
4 One into evidence.

5 MR. NUTTER: Staff Exhibit One will be admitted
6 into evidence.

7 (THEREUPON, Staff Exhibit One was admitted
8 into evidence.)

9 MS. TESCHENDORF: I have nothing further.

10 MR. NUTTER: Does anyone have any questions of
11 Mr. Ulvog? He may be excused.

12 (THEREUPON, the witness was excused.)

13 MR. NUTTER: Does anyone have anything further to
14 offer in Case 5814?

15 We will take the case under advisement.
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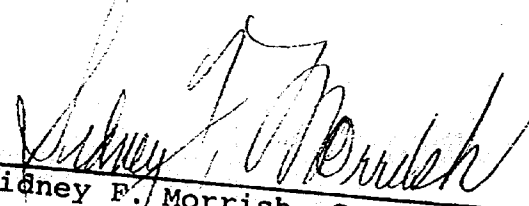
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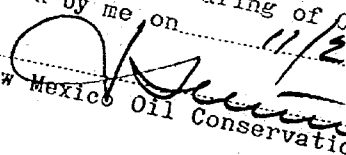
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5814
heard by me on 11/23, 1976.

Examiner
New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5814
Order No. R-5334

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN ORDER
CREATING, CONTRACTING VERTICAL LIMITS, AND
EXTENDING VERTICAL AND HORIZONTAL LIMITS OF
CERTAIN POOLS IN EDDY AND LEA COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on November 23, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of November, 1976, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Cedar Canyon-Delaware Pool. Said Cedar Canyon-Delaware Pool was discovered by the Skelly Oil Company Cedar Canyon Well No. 1 located in Unit P of Section 9, Township 24 South, Range 29 East, NMPM. It was completed in the Delaware formation on September 3, 1976. The top of the perforations is at 4536 feet.

(3) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of West Corbin-Delaware Pool. Said West Corbin-Delaware Pool was discovered by the Aztec Oil and Gas Company West Corbin Well No. 2 located in Unit H of Section 18, Township 18 South, Range 33 East, NMPM. It was completed in the Delaware formation on September 10, 1976. The top of the perforations is at 5030 feet.

(4) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Elbow Canyon-Delaware Pool. Said Elbow Canyon-Delaware Pool was discovered by the C & K Petroleum, Inc. Allied Chemical Federal Well No. 1 located in Unit E of Section 4, Township 24 South, Range 26 East, NMPM. It was completed in the Delaware formation on January 1, 1976. The top of the perforations is at 1680 feet.

(5) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of North Grayburg-Atoka Gas Pool. Said North Grayburg-Atoka Gas Pool was discovered by the Depco Inc. Conoco State Com Well No. 1 located in Unit K of Section 15, Township 17 South, Range 29 East, NMPM. It was completed in the Atoka formation on November 2, 1972. The top of the perforations is at 10,308 feet.

(6) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Cisco formation, said pool to bear the designation of Vacuum-Cisco Pool. Said Vacuum-Cisco Pool was discovered by the Southern Union Supply Company Pennzoil State Well No. 1 located in Unit H of Section 18, Township 17 South, Range 34 East, NMPM. It was completed in the Cisco formation on August 9, 1976. The top of the perforations is at 11,095 feet.

(7) That there is need for the contraction of the vertical limits of the Kemnitz-Pennsylvanian Pool in Lea County, New Mexico, to include only the Cisco formation, redesignating said Kemnitz-Pennsylvanian Pool as the West Kemnitz-Cisco Pool and redefining the horizontal limits of said pool to include Phillips Petroleum Company Michel Well No. 1 located in Unit C of Section 13, Township 16 South, Range 33 East, NMPM. It was completed in the Cisco formation on February 16, 1976. The top of the perforations is at 11,207 feet.

(8) That there is need for the extension of the vertical limits of the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, to include the Atoka formation, redesignating said pool as the North Vacuum-Atoka-Morrow Gas Pool, and the extension of the horizontal limits of said North Vacuum-Atoka-Morrow Gas Pool.

(9) That there is need for certain extensions to the Atoka-San Andres Pool, the South Carlsbad-Cherry Canyon Pool, the Eagle Creek-San Andres Pool, the South Empire-Morrow Gas Pool, the Indian Flats-Delaware Pool, the Malaga-Morrow Gas Pool, and the White City-Pennsylvanian Gas Pool, all in Eddy County, New Mexico, and the North Bagley-Pennsylvanian Pool, the Baum-Upper Pennsylvanian Pool, and the Garrett-Drinkard Pool, all in Lea County, New Mexico.

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Case No. 5814
Order No. R-5334

IT IS THEREFORE ORDERED:

(a) That a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production, is hereby created and designated as the Cedar Canyon-Delaware Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 9: SE/4

(b) That a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production, is hereby created and designated as the West Corbin-Delaware Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 18: NE/4

(c) That a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production, is hereby created and designated as the Elbow Canyon-Delaware Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 4: NW/4

(d) That a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production, is hereby created and designated as the North Grayburg-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 15: W/2

(e) That a new pool in Lea County, New Mexico, classified as an oil pool for Cisco production, is hereby created and designated as the Vacuum-Cisco Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 18: NE/4

(f) That the Atoka-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 22: SE/4
Section 27: N/2 NW/4
Section 28: S/2 NE/4

(g) That the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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Order No. R-5334

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 1: SE/4

(h) That the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 19: SW/4
Section 30: NW/4

(i) That the South Carlsbad-Cherry Canyon Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 20: NE/4 SW/4

(j) That the Eagle Creek-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 14: N/2 NE/4
Section 27: S/2 NE/4

(k) That the Garrett-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 20: SE/4

(l) That the South Empire-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 1: N/2

(m) That the Indian Flats-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 35: NW/4 SW/4

(n) That the Malaga-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 11: W/2

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(o) That the vertical limits of the Kemnitz-Pennsylvanian Pool in Lea County, New Mexico, are hereby contracted to include only the Cisco formation and said Kemnitz-Pennsylvanian Pool is hereby redesignated the West Kemnitz-Cisco Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 13: N/2 and SE/4

(p) That the vertical limits of the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, are hereby extended to include the Atoka formation, and said North Vacuum-Morrow Gas Pool is redesignated the North Vacuum-Atoka-Morrow Gas Pool. Also, said North Vacuum-Atoka-Morrow Gas Pool is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 7: E/2
Section 8: W/2

(q) That the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 35: All

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Commission. 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 Commission within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations, contractions, and extensions included herein shall be December 1, 1976.

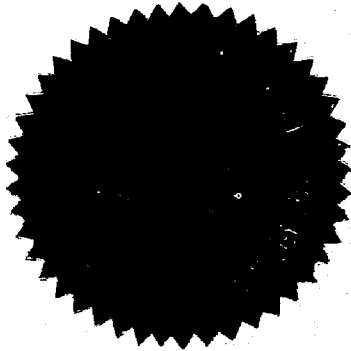
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Case No. 5814

Order No. R-5334

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/

Docket No. 33-76

Dockets Nos. 34-76 and 1-77 are tentatively set for hearing on December 15, 1976 and January 5, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: COMMISSION HEARING - WEDNESDAY - DECEMBER 1, 1976

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

CASE 5719: Application of La Rue and Muncy for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of, into earthen pits, produced salt water from its McClay Federal Wells Nos. 9 and 10, located in Units G and F, respectively, of Section 33, Township 18 South, Range 30 East, North Benson Queen-Grayburg Pool, Eddy County, New Mexico.

Upon application of La Rue and Muncy, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 5720: Application of Harvey E. Yates for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of, into earthen pits, produced salt water from his State Wells Nos. 1, 2, 3, 4, and 6 located in Units G, B, A, J, and H, respectively, of Section 32, Township 18 South, Range 30 East, North Benson Queen-Grayburg Pool, Eddy County, New Mexico.

Upon application of Harvey E. Yates, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 5721: Application of H&S Oil Company for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of, into earthen pits, produced salt water from its McClay Well No. 7, located in Unit C of Section 33, Township 18 South, Range 30 East, North Benson Queen-Grayburg Pool, Eddy County, New Mexico.

Upon application of H&S Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 5722: Application of Gene Snow for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of, into earthen pits, produced salt water from his Elk Well No. 1, located in Unit L of Section 32, Township 18 South, Range 30 East, North Benson Queen-Grayburg Pool, Eddy County, New Mexico.

Upon application of Gene Snow, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 5723: Application of Marbob Energy Corporation for an exception to Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of, into earthen pits, produced salt water from its Elliott Well No. 1 located in Unit E of Section 28, and its Elliott Wells Nos. 2 and 3 located in Units H and G, respectively, of Section 29, all in Township 18 South, Range 30 East, North Benson Queen-Grayburg Pool, Eddy County, New Mexico.

Upon application of Marbob Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Docket No. 32-76

Dockets Nos. 34-76 and 1-77 are tentatively set for hearing on December 15, 1976 and January 5, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 23, 1976

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 5810: Application of Yates Petroleum Corporation for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion (conventional) of its Stonewall "EP" Com Well No. 1, located in Unit F of Section 30, Township 20 South, Range 28 East, Eddy County, New Mexico, to produce gas from the North Burton Flat-Wolfcamp Gas Pool and an undesignated Morrow gas pool.

CASE 5811: Application of Coquina Oil Corporation for an offset allowable reduction, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a restricted allowable for the Monsanto Company Cerf Federal Com Well No. 2 for the Strawn and Morrow zones in said well, a dual completion located in Unit F of Section 10, Township 21 South, Range 27 East, Burton Flat Field, Eddy County, New Mexico, on the grounds that a dry hole in both of said zones was previously drilled on the acreage assigned to the subject well.

CASE 5812: Application of Petroleum Development Corporation for an exception to Order No. R-3221, Lea County, New Mexico. Applicant, in the above-styled cause, seeks, as an exception to the provisions of Commission Order No. R-3221, permission to dispose of, into earthen pits, produced salt water from its CleveRock-Pedco State Well No. 1, located in Unit I of Section 16, Township 19 South, Range 32 East, East Lusk-Bone Spring Field, Lea County, New Mexico.

CASE 5813: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the adoption of General Rules and Regulations governing all associated oil and gas pools of Southeast and Northwest New Mexico. Also to be considered will be the adoption of special rules for certain associated pools, including well location and acreage dedication requirements, classification of oil wells and gas wells, gas-oil ratio limitations, gas allocation, and well testing.

CASE 5814: Southeastern New Mexico nomenclature case calling for the creation and extension of certain pools in Lea and Eddy Counties, New Mexico:

a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Cedar Canyon-Delaware Pool. The discovery well is the Skelly Oil Company Cedar Canyon Well No. 1 located in Unit P of Section 9, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 9: SE/4

b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the West Corbin-Delaware Pool. The discovery well is the Aztec Oil and Gas Company West Corbin Well No. 2 located in Unit H of Section 18, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 18: NE/4

c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Elbow Canyon-Delaware Pool. The discovery well is the C & K Petroleum, Inc. Allied Chemical Federal Well No. 1 located in Unit E of Section 4, Township 24 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 4: NW/4

d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the North Grayburg-Atoka Gas Pool. The discovery well is the Depco Inc. Conoco State Com Well No. 1 located in Unit K of Section 15, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 15: W/2

e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Cisco production and designated as the Vacuum-Cisco Pool. The discovery well is the Southern Union Supply Company Pennzoil State Well No. 1 located in Unit H of Section 18, Township 17 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 18: NE/4

- f) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 22: SE/4
Section 27: N/2 NW/4
Section 28: S/2 NE/4

- g) EXTEND the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 1: SE/4

- h) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 19: SW/4
Section 30: NW/4

- i) EXTEND the South Carlsbad-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 20: NE/4 SW/4

- j) EXTEND the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 14: N/2 NE/4
Section 27: S/2 NE/4

- k) EXTEND the Garrett-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 20: SE/4

- l) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 1: N/2

- m) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 35: NW/4 SW/4

- n) EXTEND the Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 11: W/2

- o) CONTRACT the vertical limits of the Kemnitz-Pennsylvanian Pool in Lea County, New Mexico, to the Cisco formation only, redesignating said pool the Kemnitz-Cisco Pool and redefining said pool to comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 13: N/2 and SE/4

- p) EXTEND the vertical limits of the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, to include the Atoka formation, redesignating said pool the North Vacuum-Atoka-Morrow Gas Pool. Also, extend said North Vacuum-Atoka-Morrow Gas Pool to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 7: E/2
Section 8: W/2

- q) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 35: All

Case 5513

Proposed Revision of Associated Pool Rules

I. GENERAL RULES AND REGULATIONS FOR THE ASSOCIATED POOLS OF SOUTHEASTERN AND NORTHWESTERN NEW MEXICO (PROPOSED)

(See Special Pool Rules in each pool for orders applicable to those pools only. Special Pool Rules will be found in the same classification order as in the General Section, and, unless the special rules conflict with the general rule, the general rule is also applicable.)

A. WELL LOCATION AND ACREAGE REQUIREMENTS

RULE 1: Any well drilled to the producing formation of an associated pool regulated by this order and within said pool or within one mile outside the boundary of that pool, and not nearer to nor within the boundaries of another designated pool producing the same formation, shall be spaced, drilled, operated, and prorated in accordance with the regulations in effect in that pool.

RULE 2: After the effective date of this order each well drilled or recompleted on a standard proration unit within an associated pool regulated by this order shall be located as provided below:

OIL WELLS - SOUTHEAST NEW MEXICO

<u>Standard Proration Unit</u>	<u>Location-Requirements</u>
40 Acres	Not closer than 330 feet to the boundary of the tract
80 and 160 acres	Must be located within 150 feet of the center of the quarter-quarter section wherein located

GAS WELLS - SOUTHEAST NEW MEXICO

<u>Standard Proration Unit</u>	<u>Location Requirements</u>
160 acres	Must be located within 150 feet of the center of the quarter-quarter section wherein located.
320 acres	Not closer than 660 feet to the nearest side boundary nor closer than 1920 feet to the nearest end boundary of the spacing unit.

ALL WELLS - NORTHWEST NEW MEXICO

<u>Standard Proration Unit</u>	<u>Location Requirements</u>
40 Acres	Not closer than 330 feet to the boundary of the tract
80, 160 and 320 acres	Not closer than 790 feet to any quarter section line nor closer than 330 feet to any quarter-quarter section line.

RULE 3: (a) Each gas well shall be located on a standard unit containing 160 acres or 320 acres, more or less, as provided in the special pool rules therefor.

(b) Each oil well shall be located on a standard unit containing 40 acres, 80 acres or 160 acres, more or less, as provided in the special pool rules therefor.

RULE 4: (a) The District Supervisor of the appropriate district Office of the Commission shall have the authority to approve a non-standard unit as an exception to Rule 3(a) or 3(b) without notice and hearing when the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the U. S. Public Land Surveys and the non-standard unit is not less than

75% nor more than 125% of a standard unit.

The District Supervisor of the appropriate district office of the Commission may approve the non-standard unit by:

(1) Accepting a plat showing the proposed non-standard unit and the acreage to be dedicated to the non-standard unit, and

(2) Assigning an allowable to the non-standard unit.

(b) The Secretary-Director of the Commission may grant an exception to the requirements of Rule 3(a) or Rule 3(b), when the unorthodox size or shape of the unit is necessitated by a variation in the legal subdivision of the U. S. Public Land Surveys and the non-standard unit is less than 75% or more than 125% of a standard unit, or where the following facts exist and the following provisions are complied with:

(1) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.

(2) The non-standard unit lies wholly within a governmental subdivision or subdivisions which would be a standard unit for the well (half quarter section, quarter section, or half section) but contains less acreage than a standard unit.

(3) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the half quarter section, quarter section or half section (for 80-acre, 160-acre, and 320-acre standard dedications respectively,) in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(4) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the foresaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Secretary-Director has received the application.

B. WELL CLASSIFICATION AND GAS-OIL RATIO LIMITATION

RULE 5: A well shall be classified as a gas well if it has a gas-liquid ratio of 30,000 or more cubic feet of gas per barrel of liquid hydrocarbons. A well shall be classified as an oil well if it has a gas-liquid ratio of less than 30,000 cubic feet of gas per barrel of liquid hydrocarbons. The simultaneous dedication of any acreage to an oil well and a gas well is prohibited.

RULE 6: That the limiting gas-oil ratio shall be 2,000 cubic feet of gas for each barrel of oil produced.

RULE 7: An oil well shall be permitted to produce only that amount of gas determined by multiplying the top unit oil allowable for the pool by the limiting gas-liquid ratio for the pool. In the event there is more than one oil well on an oil proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

A gas well shall be permitted to produce that amount of gas obtained by multiplying the top unit oil allowable for the pool by the limiting gas-liquid ratio for the pool and by a fraction, the numerator of which is the number of acres dedicated to the particular gas well and the denominator of which is a number equal to the number of acres in a standard oil proration unit in such pool. In the event there is more than one gas well on a gas proration unit, the operator may produce the amount of gas assigned to the unit from the wells on the unit in any proportion.

C. WELL TESTING

RULE 8: The operator of each newly completed well shall cause a gas-liquid ratio test to be taken on the well upon recovery of all load oil from the well, provided however, that in no event shall the test be commenced later than 30 days from the date of first production unless the well is connected to a gas-gathering facility and is producing under

a temporary gas allowable assigned in accordance with Rule 11. Any well which is shut-in shall be exempted from the gas-liquid ratio test requirement so long as it remains shut-in. The initial gas-liquid ratio test shall be taken in the manner prescribed by Rule 9. If the gas-liquid ratio is 30,000 cubic feet of gas per barrel of liquid hydrocarbons, or more, the operator shall not produce the well until beneficial use can be made of the gas.

RULE 9: Semi-annual gas-liquid ratio tests shall be taken on all wells during each year in accordance with a test schedule prepared by the district office of the Commission. The initial gas-liquid ratio test shall suffice as the first semi-annual test. Tests shall be 24-hour tests, being the final 24 hours of a 72-hour period during which the well shall be produced at a constant normal rate of production. Results of such tests shall be filed on Commission Form C-116 on or before the 10th day of the following month. At least 72 hours prior to commencement of any such gas-liquid ratio tests, each operator shall file with the appropriate district office of the Commission a test schedule for its wells specifying the time each of its wells is to be tested. Copies of the test schedule shall also be furnished to all offset operators. The supervisor of the appropriate district office of the Commission may grant an exception to the above test requirements where it is demonstrated that the well produces no liquids.

Special tests shall also be taken at the request of the Secretary-Director and may also be taken at the option of the operator. Such special tests shall be taken in accordance with the procedures outlined hereinabove, including notification to the Commission and offset operators.

RULE 10: An initial shut-in pressure test shall be taken on each gas well and shall be reported to the Commission on Form C-125.

D. ASSIGNMENT OF ALLOWABLE

RULE 11: Any well completed after the effective date of these rules shall receive an allowable only upon receipt by the appropriate Commission district office of Commission Forms C-102, C-104, C-116, and, in the case of a gas well, a transporter's notice of gas connection, properly executed. The District Supervisor of the Commission's district office is hereby authorized to assign a temporary gas allowable to wells connected to a gas transportation facility during the recovery of load oil, which allowable shall not exceed the number of cubic feet of gas obtained by multiplying the daily top unit allowable for the pool by the limiting gas-liquid ratio for the pool.

E. GAS PRORATIONING

RULE 12: The associated gas proration period shall be the proration month which shall begin at 7 a.m. on the first day of the month and shall end at 7 a.m. on the first day of the next succeeding month.

RULE 13: No associated gas underproduction may be carried forward into any proration month. (See ALTERNATIVE PROPOSED RULE 13 following Rule 21)

RULE 14: Any associated gas well which has an overproduced status at the end of any associated gas proration period shall carry such overproduction into subsequent periods. If at any time a well is overproduced an amount equalling three times its current monthly allowable, it shall be shut in during that month and each succeeding month until the well is overproduced less than three times its current monthly allowable.

RULE 15: The allowable assigned to a well during any one month of an associated gas proration period in excess of the production for the same month shall be applied against the overproduction carried into such period in determining the amount of overproduction, if any, which has not been compensated for.

RULE 16: The Commission may allow overproduction to be compensated for at a lesser rate than would be the case if the well were completely shut in upon a showing after notice and hearing that complete shut in of the well would result in material damage to the well or reservoir.

F. REPORTING OF PRODUCTION

RULE 17: The monthly gas production from each gas well shall be metered separately and the gas production therefrom shall be reported to the Commission on Form C-115 so as to reach the Commission on or before the 24th day of the month next succeeding the month in which the gas was produced. The operator shall show on such report what disposition has been made of the produced gas.

RULE 18: Each purchaser or taker of gas shall submit a report to the Commission so as to reach the Commission on or before the 15th day of the month next succeeding the month in which the gas was purchased or taken. Such report shall be filed on Form C-111 with the wells being listed in the same order as they are listed on the appropriate proration schedule.

G. GENERAL PROVISIONS

RULE 19: Failure to comply with any provision of these rules shall result in the immediate cancellation of allowable assigned to the affected well. No further allowable shall be assigned until all rules and regulations have been complied with. The Secretary-Director shall notify the operator of the well and purchaser in writing of the date of allowable cancellation and the reason therefor.

RULE 20: All transporters or users of gas shall file gas well connection notices with the Commission as soon as possible after the date of connection.

RULE 21: Allowables to wells whose classification has changed from oil to gas or from gas to oil as the result of a gas-liquid ratio test shall commence on the first day of the month following the month in which such test was reported, provided that a plat (Form C-102) showing the acreage dedicated to the well and the location of all wells on the dedicated acreage has been filed.

Alternative Proposed Rule 13

RULE 13: (a) Any associated gas well which has an underproduced status at the end of any associated gas proration period, shall carry such underproduction into subsequent periods.

(b) Underproduction in excess of three times the current monthly allowable shall not be carried forward. For purposes of this Rule, the monthly allowable shall be the full monthly allowable which would be assigned an associated gas well with the same acreage dedication in the same pool.

(c) Overproduction during any month shall be applied to a well's cumulative underproduction, if any, calculated in accordance with paragraphs (a) and (b) above.

Please note, alternatives of 1, 2, and 3 times the current monthly allowable will be considered with Alternative Proposed Rule 13(b). Comments by interested operators or transporters are solicited.

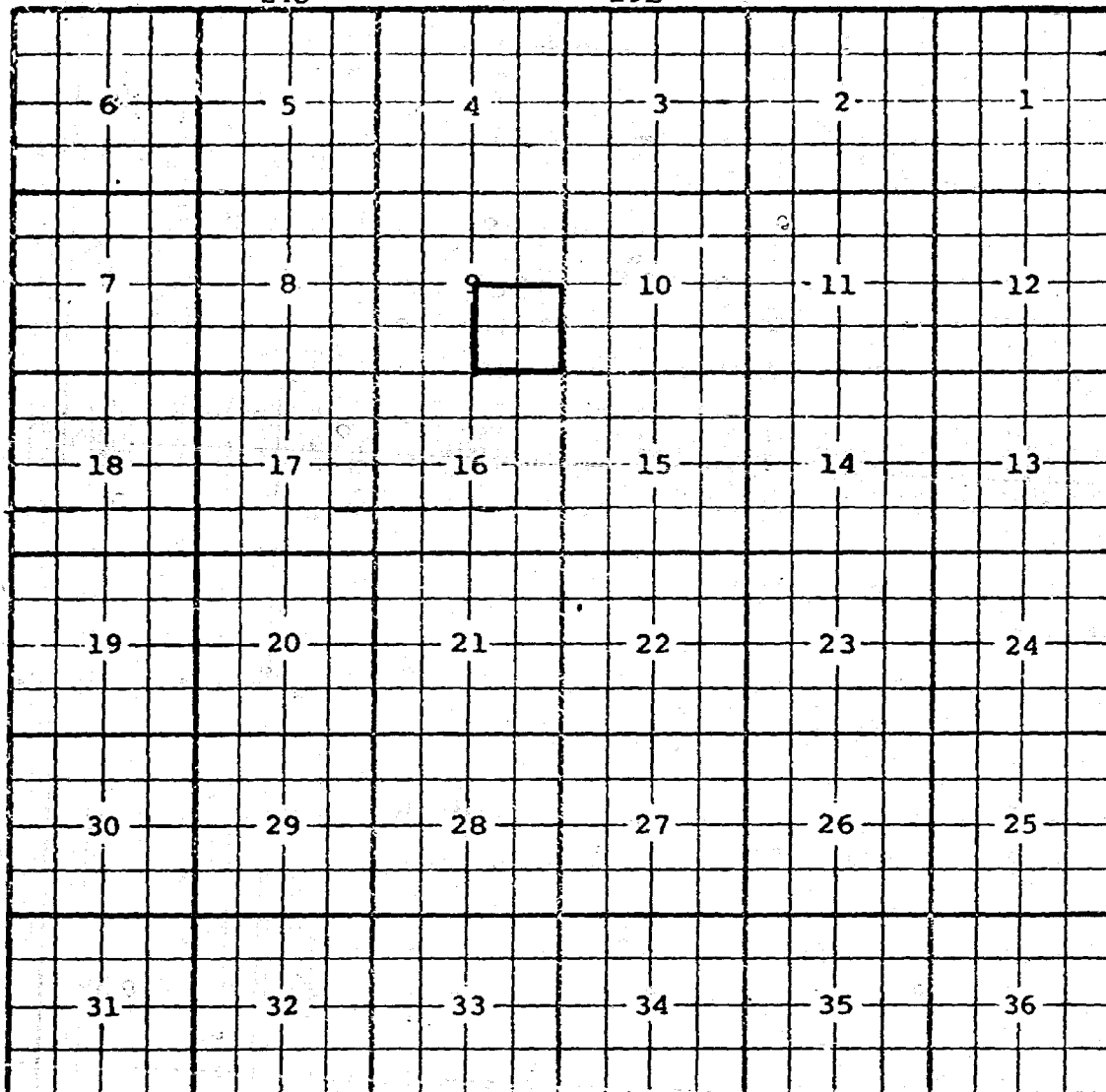
It will be proposed to reclassify the Jennings-Delaware and the North Paduca-Delaware Pools from associated pools to oil pools.

It will further be proposed to reclassify the Northwest Todd-San Andres Pool from an associated pool to an oil pool; however, special pool rules providing for 80-acre oil well spacing will be retained.

CASE NO. 5814 (a) CREATION OF A NEW OIL POOL

COUNTY Eddy POOL Cedar Canyon-Delaware

TOWNSHIP 24S RANGE 29E NMFM



Purpose: One completed oil well capable of producing.

Disc. Well: Skelly Oil Co. Cedar Canyon #1-P, 9-24-29

Comp. 9-3-76 through Delaware Perfs from 4536-38'.

Proposed pool boundary outlined in blue.

Section 9: SE/4

CASE NO. 5814 (b) CREATION OF A NEW OIL POOL

COUNTY LEA

POOL

WEST CORBIN-DELAWARE

TOWNSHIP	18 South	RANGE	33 East	NMIM	
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

PURPOSE: One completed oil well capable of producing.

DISCOVERY WELL: Aztec Oil & Gas Company West Corbin Well #2 located in Unit H of Section 18, T18S, R33E. Completed September 10, 1976, in the Delaware formation. Top of the perforations is at 5030 feet.

PROPOSED POOL BOUNDARY OUTLINED IN RED. SECTION 18: NE/4

CASE NO. 5814 (c) CREATION OF A NEW OIL POOL

COUNTY Eddy POOL Elbow Canyon-Delaware

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

Purpose: One completed oil well capable of producing.

Disc. Well: C&K Petroleum Inc, Allied Chemical Fed. #1-E, 4-24-26
Comp. 1-1-76, through Delaware Perfs from 1680-90'.

Proposed pool boundary outlined in blue.

Section 4: NW/4

CASE NO. 5814 (d) CREATION OF A NEW GAS POOL

COUNTY Eddy POOL North Grayburg-Atoka Gas

TOWNSHIP		17S	RANGE		29E	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		

Purpose: One completed oil well capable of producing.

Disc. Well: Depco Inc. Conoco State Com #1-K, 15-17-29

Comp. 11-2-72 through Atoka Perfs from 10308-316'.

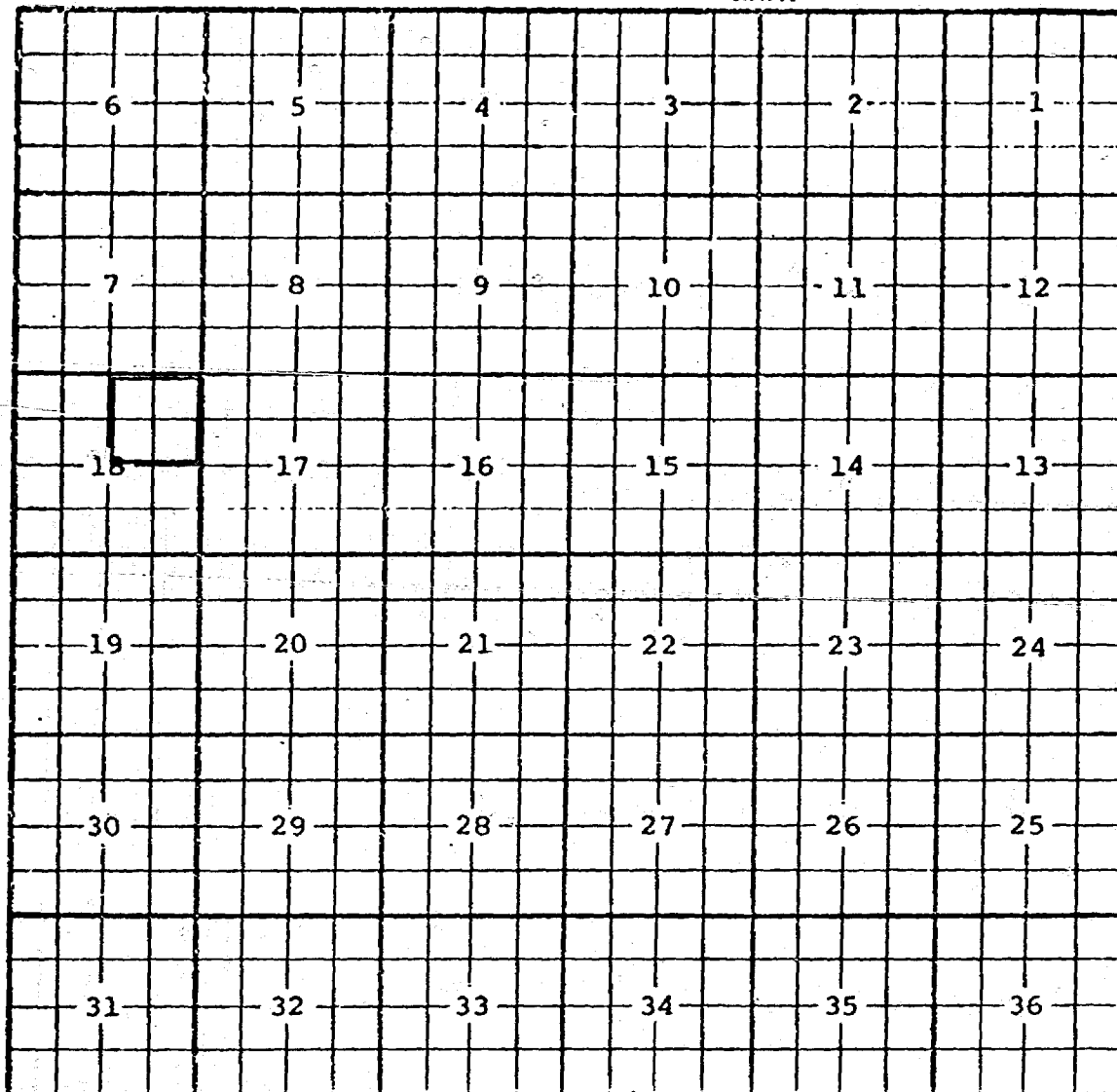
Proposed Pool boundary outlined in blue.

Section 15: W/2

CASE NO. 5814 (e) CREATION OF A NEW OIL POOL

COUNTY LEA POOL VACUUM-CISCO

TOWNSHIP 17 South RANGE 34 East NMFM



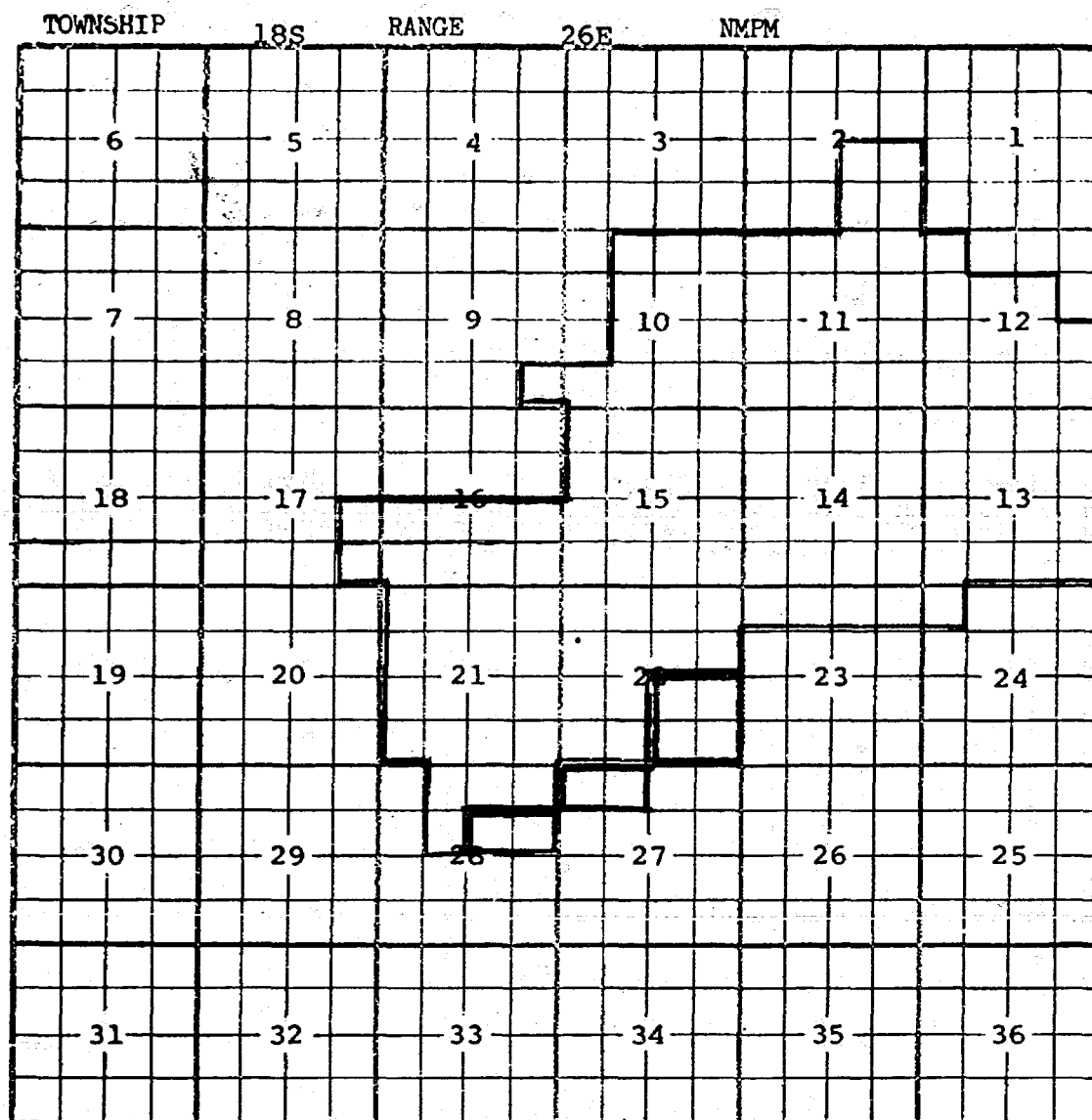
PURPOSE: One completed oil well capable of producing.

DISCOVERY WELL: Southern Union Supply Company, Pennzoil State #1 in Unit H of Section 18, T17S, R34E. Completed August 9, 1976, in the Cisco formation. Top of the perforations is at 11,095 feet.

Proposed pool boundary outlined in red. Section 18: NE/4

CASE NO. 5814 (f) EXTENSION OF AN EXISTING OIL POOL

COUNTY Eddy POOL Atoka-San Andres



Purpose: Three completed oil wells capable of producing.

Operator	Lease	#&Ut.	S.T.R.	Comp.	Form.	TOP
Gulf Oil Corp.	E.C.Higgins Est.	1-G	28-18-26	9-24-76	San Andres	1512'
Yates Pet.Corp.	Peon GK	1-D	27-18-26	9-24-76	" "	1648'
" "	Nix GP	1-O	22-18-26	10-9-76	" "	1727'

Pool boundary outlined in red.

Proposed extension outlined in blue.

Section 22: SE/4

Section 27: N/2 NW/4

Section 28: S/2 NE/4

CASE NO. 5814 (g) EXTENSION OF AN EXISTING OIL POOL

COUNTY	LEA	POOL	NORTH BAGLEY-PENNSYLVANIAN												
TOWNSHIP	12 South	RANGE	32 East	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										

PURPOSE: One completed oil well capable of producing
Tenneco Oil Company Tenneco Sunshine Well #1 in Unit I Section 1, T12S, R32E.
Completed October 8, 1976, in the Cisco (Bough C) formation. Top of the
perforations 9,243 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 1: SE/4

CASE NO. 5814(h) EXTENSION OF AN EXISTING OIL POOL

COUNTY	LEA	POOL	BAUM-UPPER PENNSYLVANIAN		
TOWNSHIP	13 South	RANGE	33 East	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

PURPOSE: One completed oil well capable of producing.
 R. L. Burns Corporation State 30 Well #1 in Unit E, Section 30, T13S,R33E.
 Completed September 6, 1976, in the Bough "C" formation. Top of the perforations
 is at 9783 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 19: SW/4

SECTION 30: NW/4

CASE NO. 5814 (1) EXTENSION OF AN EXISTING OIL POOL

COUNTY Eddy POOL South Carlsbad-Cherry Canyon

TOWNSHIP	22S	RANGE	27E	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

Purpose: One completed oil well capable of producing.

Operator	Lease #	Ut.	S.T.R.	Comp.	Form.	TOP
Belco Pet. Corp.	Martin 3-K	20-22-27	9-3-76	Cherry Canyon	3266'	

Pool boundary outlined in red.

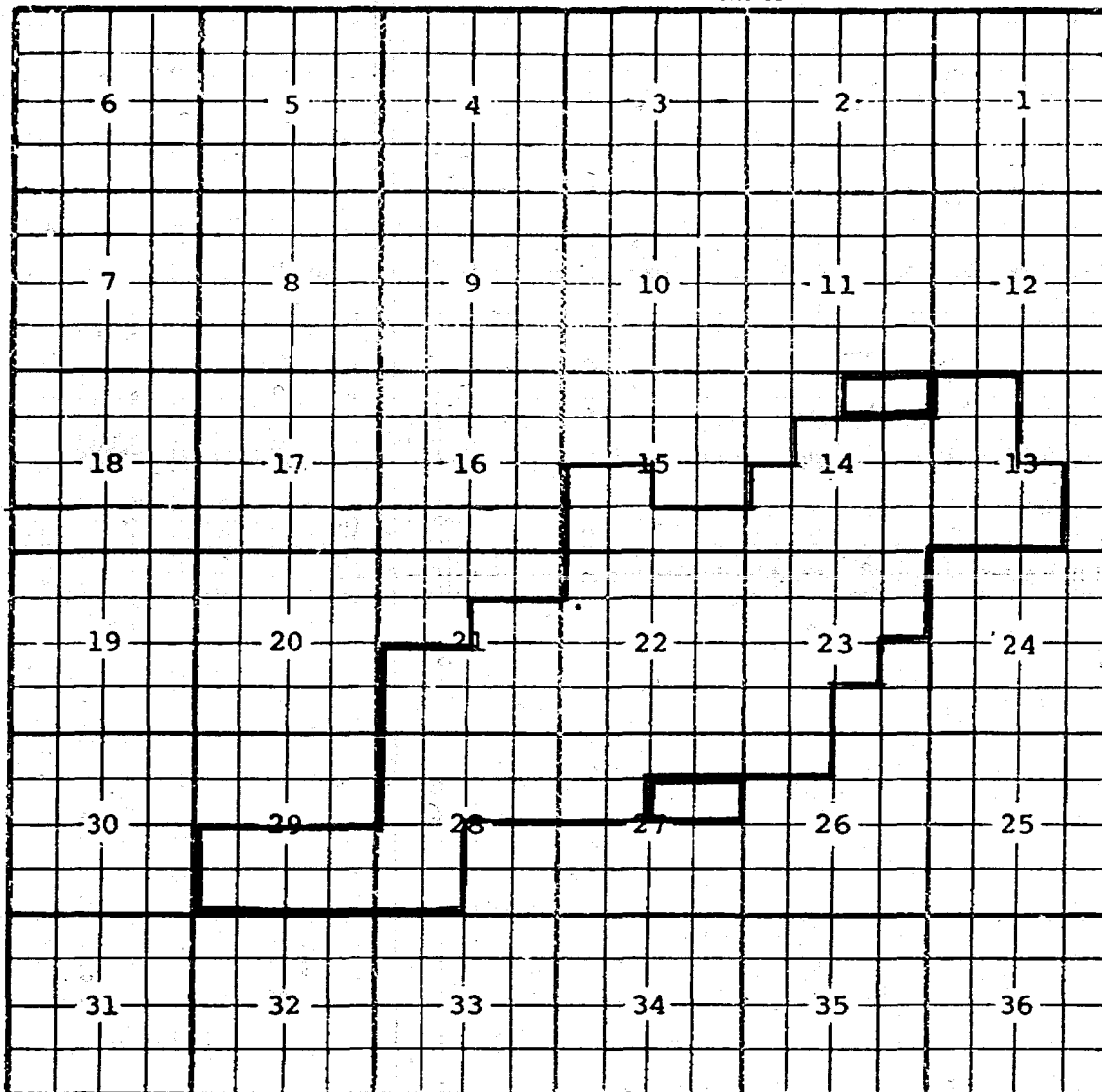
Proposed extension outlined in blue.

Section 20: NE/4 SW/4

CASE NO. 5814 (j) EXTENSION OF AN EXISTING OIL POOL

COUNTY Eddy POOL Eagle Creek-San Andres

TOWNSHIP 17S RANGE 25E NMFM



Purpose: Two completed oil wells capable of producing.

Operator	Lease	#&Ut.	S.T.R.	Comp.	Form.	TOP	
Yates Pet. Corp.	McCaw BT	5 A	14-17-25	9-17-76	San Andres	1372'	
"	"	"	Federal BX	1-G	27-17-25	10-14-76	" "

Pool boundary outlined in red.

Proposed extension outlined in blue.

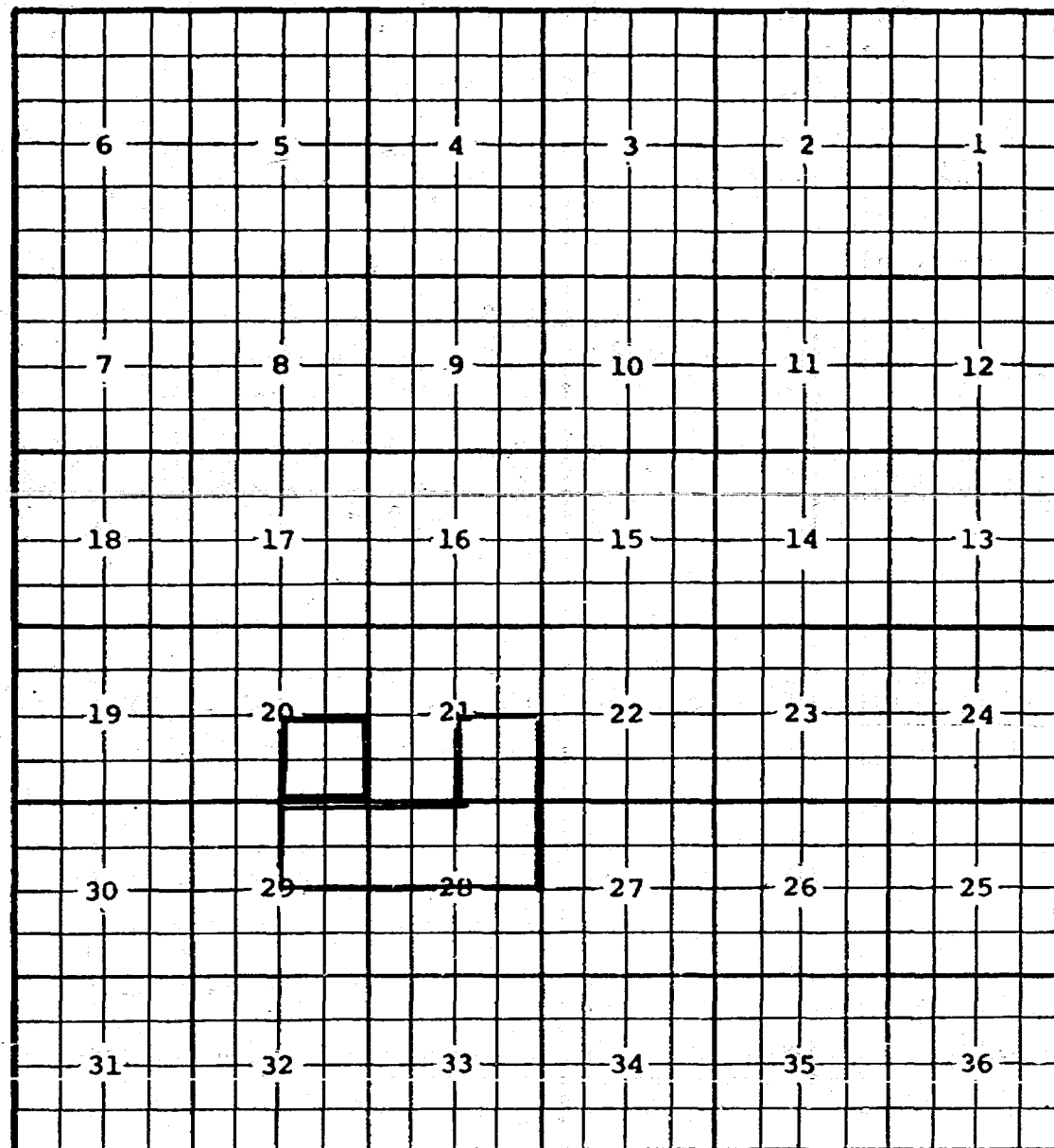
Section 14: N/2 NE/4

Section 27: S/2 NE/4

CASE NO. 5814(k) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA POOL GARRETT-DRINKARD

TOWNSHIP 16 South RANGE 38 East NMPM



PURPOSE: One completed oil well capable of producing.

R. L. Burns Corporation Bullis 20 Well #1 in Unit P, Section 20, T16S, R38E.

Completed September 23, 1976, in the Drinkard formation. Top of the perforations is at 8157 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green. SECTION 20: SE/4

CASE NO. 5814 (1) EXTENSION OF AN EXISTING GAS POOL

COUNTY Eddy POOL South Empire-Morrow Gas

TOWNSHIP	18S	RANGE	28E	NMPM
6	5	4	3	2
7	8	9	10	11
18	17	16	15	14
19	20	21	22	23
30	29	28	27	26
31	32	33	34	35
36				

Purpose: One completed gas well capable of producing.

Operator	Lease	#&Ut.	S.T.R.	Comp.	Form.	TOP
Amoco Prod. Co.	Empire South	10-G	1-18-28	10-4-76	Morrow	10706'
	Deep Unit					

Pool boundary outlined in red.

Proposed extension outlined in blue.

Section 1: N/2

CASE NO. 5814 (m) EXTENSION OF AN EXISTING OIL POOL

COUNTY Eddy POOL Indian Flats-Delaware

TOWNSHIP	21S	RANGE	28E	NMPM
6	5	4	3	2
7	8	9	10	11
18	17	16	15	14
19	20	21	22	23
30	29	28	27	26
31	32	33	34	35
				36

Purpose: One completed oil well capable of producing.

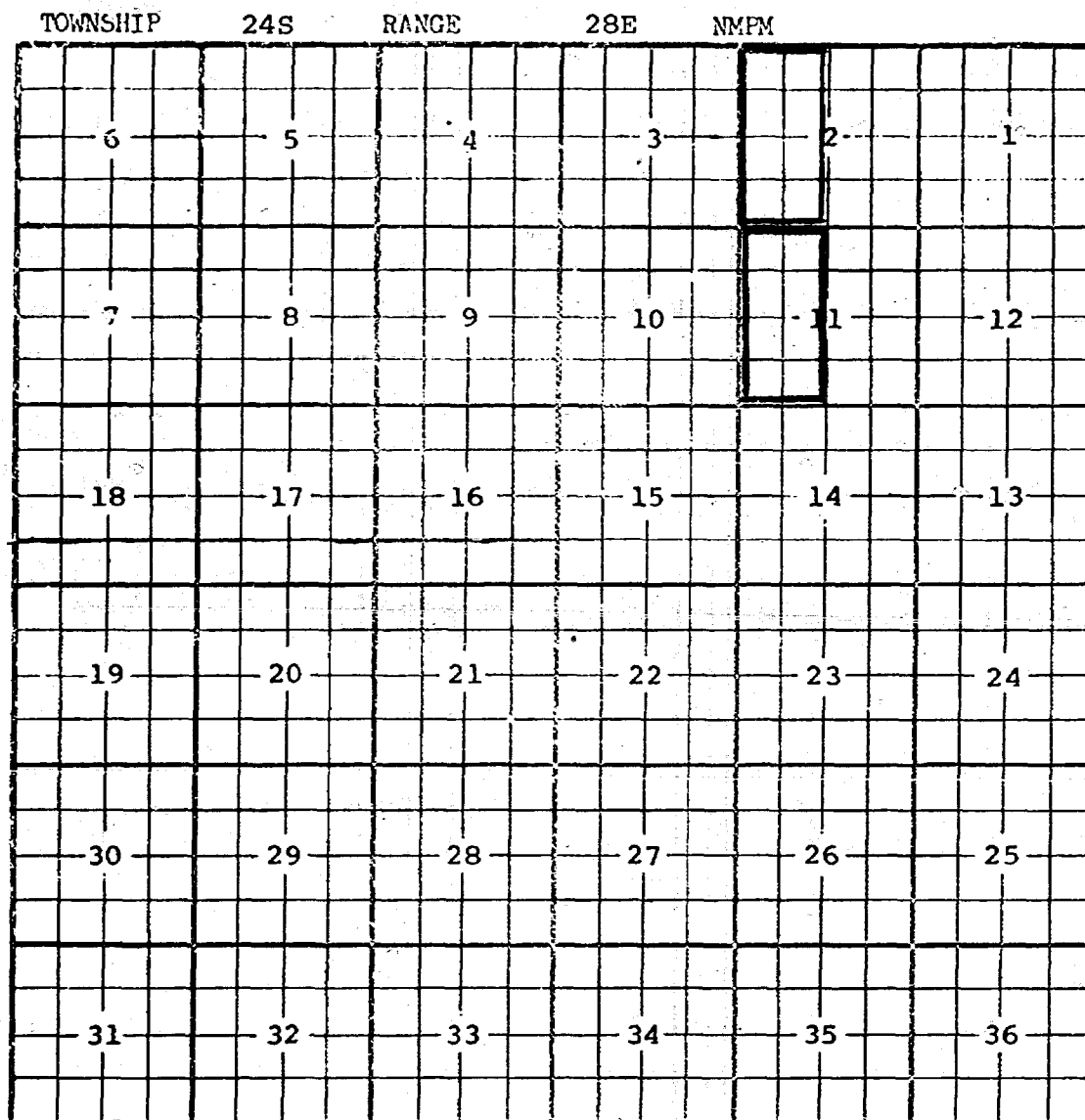
Operator	Lease	#&Ut.	S.T.R.	Comp.	Form.	TOP
Perry R. Bass	Big Eddy Ut.	49-L	35-21-28	8-30-76	Delaware	3655

Pool boundary outlined in red.

Proposed extension outlined in blue.

Section 35; NW/4 SW/4

CASE NO. 5814 (n) EXTENSION OF AN EXISTING GAS POOL
COUNTY Eddy POOL Malaga-Morrow Gas



Purpose: One completed gas well capable of producing.

Operator	Lease	#&Ut.	S.T.R.	Comp.	Form.	TOP
Aminoil USA Inc.	CNB Com	1-L	11-24-28	9-13-76	Morrow	12396'

Pool boundary outlined in red.

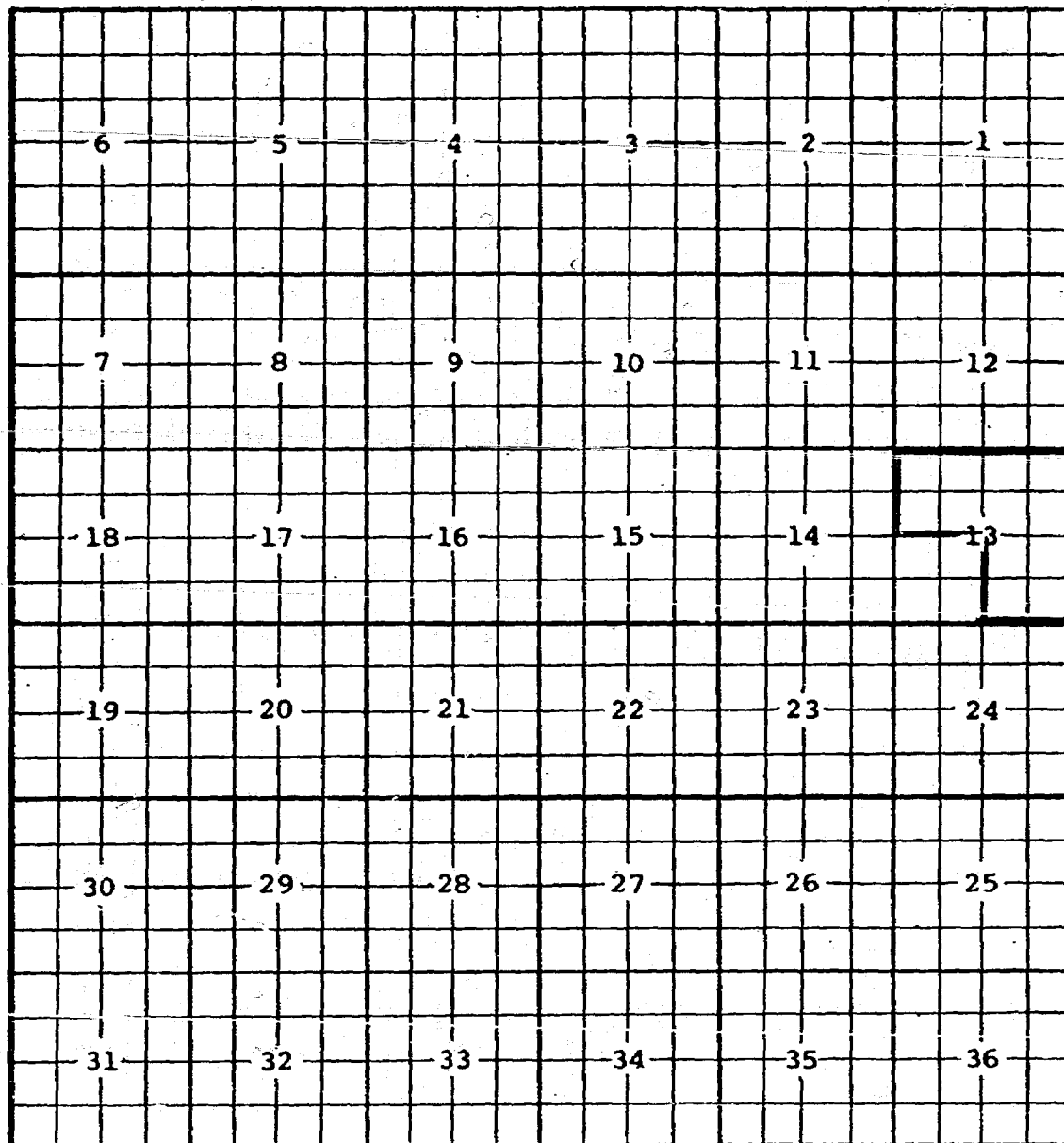
Proposed extension outlined in blue.

Section 11: W/2

CASE NO. 5814(o) CONTRACTION OF VERTICAL LIMITS AND REDESIGNATION OF POOL

COUNTY LEA POOL KEMNITZ-PENNSYLVANIAN to WEST KEMNITZ-CISCO

TOWNSHIP 16 South RANGE 33 East NMPM



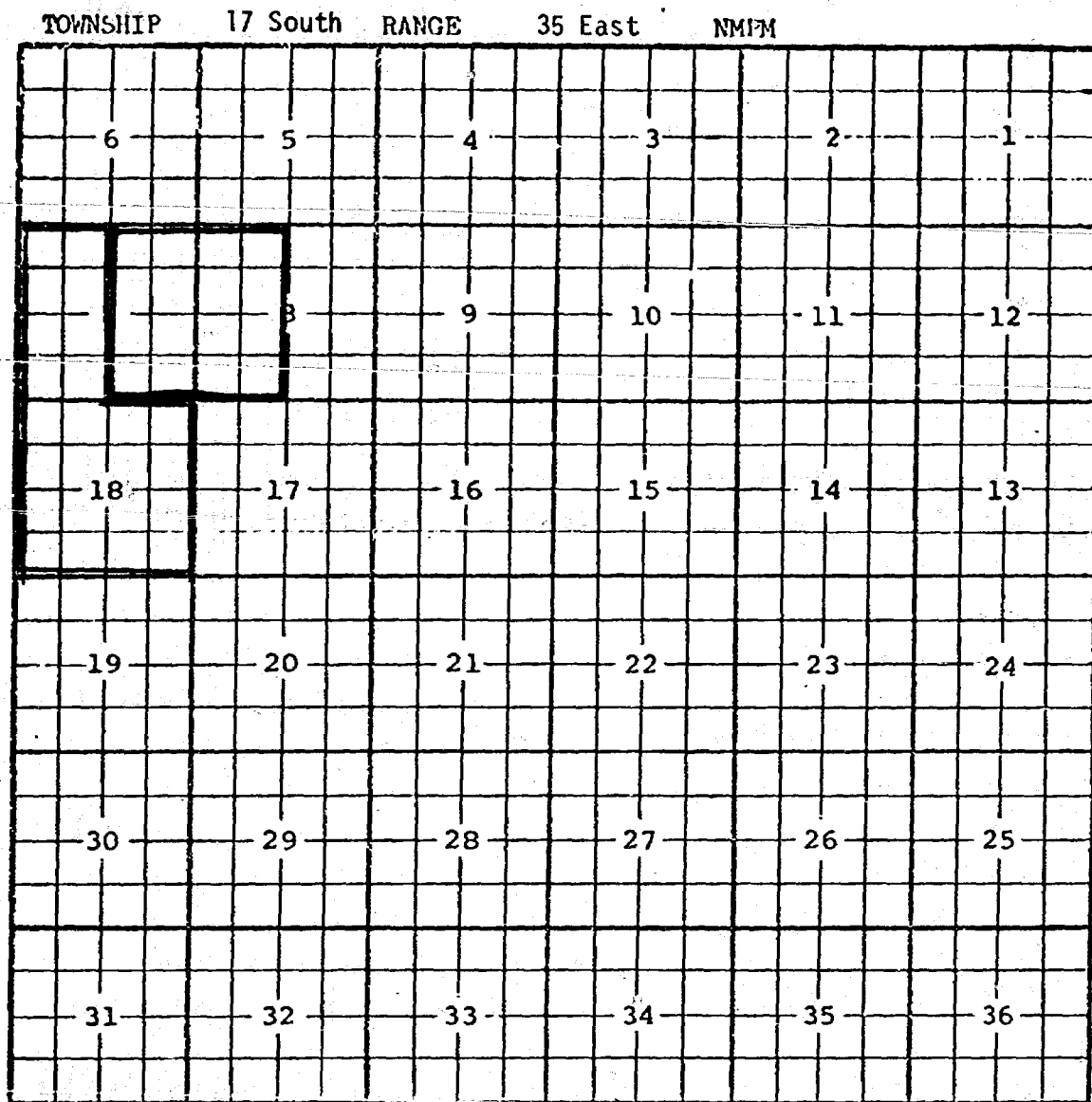
PURPOSE: To contract the vertical limits of the Kemnitz-Pennsylvanian Pool to the Cisco formation only and redesignate said pool as the West Kemnitz-Cisco Pool and extend horizontal limits to include Phillips Petroleum Company Michel Well #1-C in Section 13, T16S, R33E, completed on February 16, 1976, in the Cisco formation. Top of perforations 11,207 feet.

Redefined pool boundary outlined in red. SECTION 13: N/2 and SE/4

NOTE: MISADVERTISED AS KEMNITZ-CISCO -- REDESIGNATED POOL NAME IS WEST KEMNITZ-CISCO AS STATED ON PLAT.

CASE NO. 5814 (p) EXTENSION OF VERTICAL LIMITS & REDESIGNATION OF POOL & EXTENSION
OF HORIZONTAL LIMITS OF REDESIGNATED GAS POOL

COUNTY LEA POOL NORTH VACUUM-MORROW GAS to NORTH VACUUM ATOKA-MORROW
GAS POOL



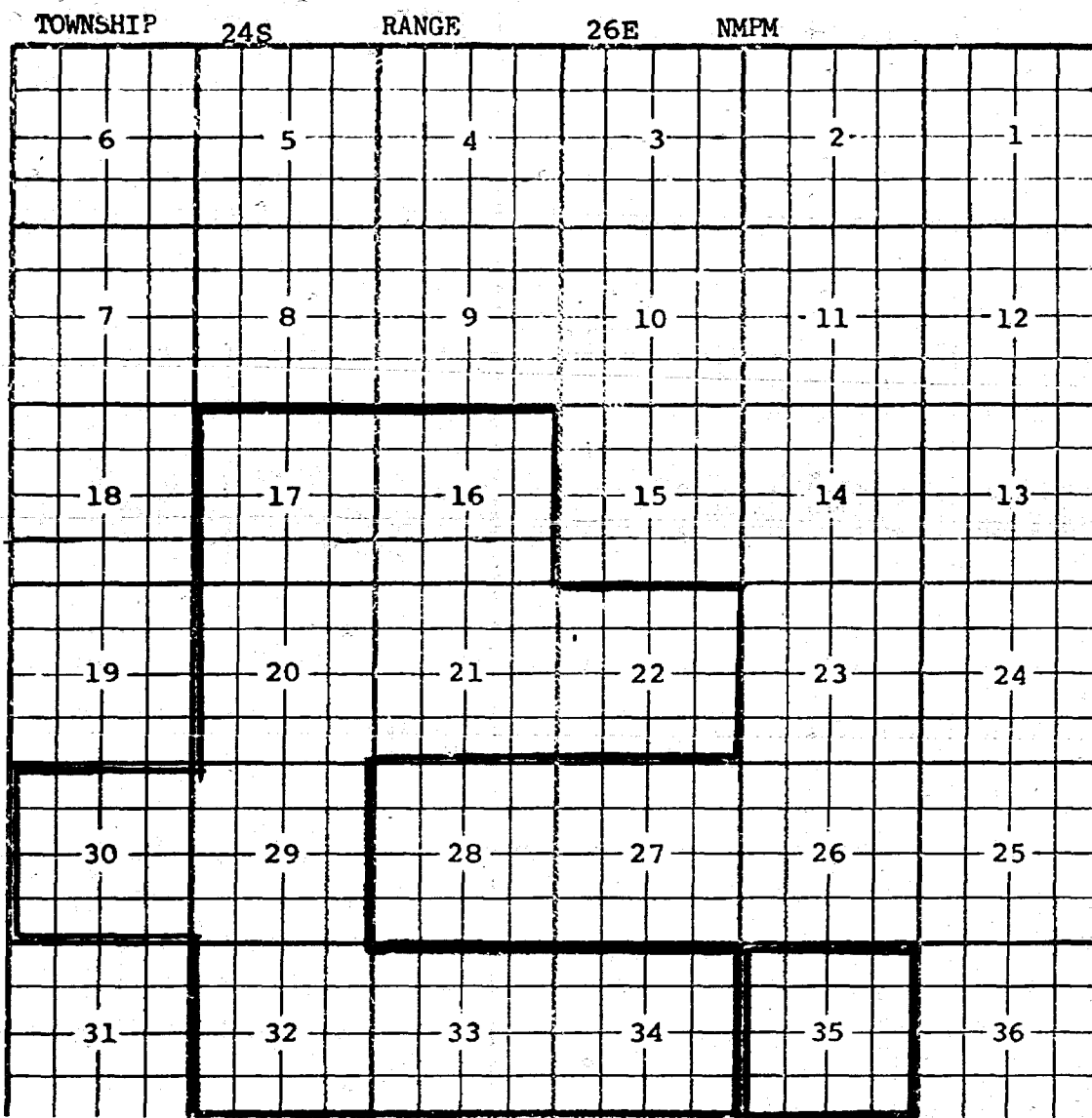
PURPOSE: Extend the vertical limits to include the Atoka formation and redesignate pool as the North Vacuum-Atoka-Morrow Gas Pool. Also, extend the horizontal limits of North Vacuum-Atoka-Morrow Gas Pool to include the following wells: Marathon Oil Company State Section 7 Com Well #1 in Unit G, of Section 7, T17S, R35E. Completed July 31, 1976 in the Atoka formation. Top of perfs 12,078 feet. Also the Mobil Oil Corporation State NN Com Well #1 in Unit L of Section 8, T17S, R35E. Completed August 4, 1976 in the Morrow formation. Top of the perforations is 12,114 feet.

Pool boundary outlined in red.

Proposed pool extension outlined in green: SECTION 7: E/2
SECTION 8: W/2

CASE NO. 5814 (q) EXTENSION OF EXISTING GAS POOL

COUNTY Eddy POOL White City-Penn. Gas



Purpose: One completed gas well capable of producing.

Operator	Lease	#&Ut.	S.T.R.	Comp.	Form.	TOP
Mesa Pet. Co.	Moore Fed. Com	1-K	35-24-26	9-30-76	Morrow	11004'

Pool boundary outlined in red.

Proposed extension outlined in blue.

Section 35: ALL

NOMENCLATURE ADVERTISEMENT FOR NOVEMBER 1976

CASE NO. 5714

New Mexico nomenclature calling for the extension and
In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the creation of new pools in Eddy and Lea Counties, New Mexico, and the extension of the vertical and horizontal limits of certain existing pools in Chaves, Eddy, and Lea Counties, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such creations and extensions of vertical and horizontal limits should not be made. *and Eddy County, New Mexico*

- ✓(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Cedar Canyon-Delaware Pool. The discovery well is Skelly Oil Company Cedar Canyon Well No. 1 located in Unit P of Section 9, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 9: SE/4

- ✓(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the West Corbin-Delaware Pool. The discovery well is Aztec Oil and Gas Company West Corbin Well No. 2 located in Unit H of Section 18, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 18: NE/4

- ✓(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Elbow Canyon-Delaware Pool. The discovery well is C & K Petroleum, Inc. Allied Chemical Federal Well No. 1 located in Unit E of Section 4, Township 24 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 4: NW/4

- ✓(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the North Grayburg-Atoka Gas Pool. The discovery well is Depco Inc. Conoco State Com Well No. 1 located in Unit K of Section 15, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 15: W/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Cisco production and designated as the Vacuum-Cisco Pool. The discovery well is the Southern Union Supply Company Pennzoil State Well No. 1 located in Unit H of Section 18, Township 17 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 18: NE/4

- ✓(f) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 22: SE/4 ✓
Section 27: N/2 NW/4 ✓
Section 28: S/2 NE/4 ✓

- ✓(g) EXTEND the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 1: SE/4 ✓

- ✓(h) EXTEND the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 19: SW/4
Section 30: NW/4

- ✓(i) EXTEND the South Carlsbad-Cherry Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 20: NE/4 SW/4

- ✓ (j) EXTEND the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 14: N/2 NE/4 ✓
Section 27: S/2 NE/4 ✓

- ✓ (k) EXTEND the Garrett-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 20: SE/4

- ✓ (l) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 1: N/2

- ✓ (m) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 35: NW/4 SW/4

- ✓ (n) EXTEND the Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 11: W/2

- ✓ ~~(o) EXTEND the Tom Tom San Andres Pool in Chaves County, New Mexico, to include therein:~~

~~TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM~~
~~Section 2: NE/4~~

- ✓ (p) EXTEND the vertical limits of the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, to include the Atoka formation, redesignating said pool the North Vacuum-Atoka-Morrow Gas Pool. Also, extend said North Vacuum-Atoka-Morrow Gas Pool to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 7: E/2
Section 8: W/2

- ✓ (q) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 35: All

(o) CONTRACT the vertical limits of the Reminty - Pennsylvanian Pool in Lea County, New Mexico, to the Cisco formation only, redesignating said pool the Reminty-Cisco Pool and redefining said pool to comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 13: N/2 and SE/4

OK-24

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5814
ORDER NO. 5334

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN ORDER
CREATING, CONTRACTING VERTICAL LIMITS, AND
EXTENDING VERTICAL AND HORIZONTAL LIMITS OF
CERTAIN POOLS IN EDDY AND LEA COUNTIES, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on November 23, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this _____ day of November, 1976, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Cedar Canyon-Delaware Pool. Said Cedar Canyon-Delaware Pool was discovered by the Skelly Oil Company Cedar Canyon Well No. 1 located in Unit P of Section 9, Township 24 South, Range 29 East, NMPM. It was completed in the Delaware formation on September 3, 1976. The top of the perforations is at 4536 feet.

(3) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of West Corbin-Delaware Pool. Said West Corbin-Delaware Pool was discovered by the Aztec Oil and Gas Company West Corbin Well No. 2 located in Unit H of Section 18, Township 18 South, Range 33 East, NMPM. It was completed in the Delaware formation on September 10, 1976. The top of the perforations is at 5030 feet.

(4) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Elbow Canyon-Delaware Pool. Said Elbow Canyon-Delaware Pool was discovered by the C & K Petroleum, Inc. Allied Chemical Federal Well No. 1 located Unit E of Section 4, Township 24 South, Range 26 East, NMPM. It was completed in the Delaware formation on January 1, 1976. The top of the perforations is at 1680 feet.

(5) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of North Grayburg-Atoka Gas Pool. Said North Grayburg-Atoka Gas Pool was discovered by the Depco Inc. Conoco State Com Well No. 1 located in Unit K of Section 15, Township 17 South, Range 29 East, NMPM. It was completed in the Atoka formation on November 2, 1972. The top of the perforations is at 10,308 feet.

(6) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Cisco formation, said pool to bear the designation of Vacuum-Cisco Pool. Said Vacuum-Cisco Pool was discovered by the Southern Union Supply Company Pennzoil State Well No. 1 located in Unit H of Section 18, Township 17 South, Range 34 East, NMPM. It was completed in the Cisco formation on August 9, 1976. The top of the perforations is at 11,095 feet.

(7) That there is need for the contraction of the vertical limits of the Kennitz-Pennsylvanian Pool in Lea County, New Mexico, to include only the Cisco formation, redesignating said Kennitz-Pennsylvanian Pool as the West Kennitz-Cisco Pool and redefining the horizontal limits of said pool to include Phillips Petroleum Company Michel Well No. 1 located in Unit C of Section 13, Township 16 South, Range 33 East, NMPM. It was completed in the Cisco formation on February 16, 1976. The top of the perforations is at 11,207 feet.

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ORDER NO. _____

(8) That there is need for the extension of the vertical limits of the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, to include the Atoka formation, redesignating said pool as the North Vacuum-Atoka-Morrow Gas Pool, and the extension of the horizontal limits of said North Vacuum-Atoka-Morrow Gas Pool.

(9) That there is need for certain extensions to the Atoka-San Andres Pool, the South Carlsbad-Cherry Canyon Pool, the Eagle Creek-San Andres Pool, the South Empire-Morrow Gas Pool, the Indian Flats-Delaware Pool, the Malaga-Morrow Gas Pool, and the White City-Pennsylvanian Gas Pool, all in Eddy County, New Mexico, and the North Bagley-Pennsylvanian Pool, the Baum-Upper Pennsylvanian Pool, and the Garrett-Drinkard Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production, is hereby created and designated as the Cedar Canyon-Delaware Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 9: SE/4

(b) That a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production, is hereby created and designated as the West Corbin-Delaware Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 18: NE/4

(c) That a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production, is hereby created and designated as the Elbow Canyon-Delaware Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 4: NW/4

(d) That a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production, is hereby created and designated as the North Grayburg-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 15: W/2

(e) That a new pool in Lea County, New Mexico, classified as an oil pool for Cisco production, is hereby created and designated as the Vacuum-Cisco Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 18: NE/4

(f) That the Atoka-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 22: SE/4
Section 27: N/2 NW/4
Section 28: S/2 NE/4

(g) That the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 1: SE/4

(h) That the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 19: SW/4
Section 30: NW/4

(i) That the South Carlsbad-Cherry Canyon Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 20: NE/4 SW/4

(j) That the Eagle Creek-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 14: N/2 NE/4
Section 27: S/2 NE/4

(k) That the Garrett-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 20: SE/4

(l) That the South Empire-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 1: N/2

(m) That the Indian Flats-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 35: NW/4 SW/4

(n) That the Malaga-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 11: W/2

(o) That the vertical limits of the Kemnitz-Pennsylvanian Pool in Lea County, New Mexico, are hereby contracted to include only the Cisco formation and said Kemnitz-Pennsylvanian Pool is hereby redesignated the West Kemnitz-Cisco Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 13: N/2 and SE/4

(p) That the vertical limits of the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, are hereby extended to include the Atoka formation, and said North Vacuum-Morrow Gas Pool is redesignated the North Vacuum-Atoka-Morrow Gas Pool. Also, said North Vacuum-Atoka-Morrow Gas Pool is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 7: E/2
Section 8: W/2

(q) That the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 35: All

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Commission. 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 Commission within said 60-day period shall subject the well to cancellation of allowable.

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(2) That the effective date of this order and all creations, contractions, and extensions included herein shall be December 1, 1976.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member & Secretary

S E A L