

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 12116
Order No. R-11120

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING AND
EXTENDING CERTAIN POOLS IN EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on January 7, 1999, at Santa Fe, New Mexico, before Examiner Mark W. Ashley.

NOW, on this 21st day of January, 1999, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner.

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Cisco formation, bearing the designation of Turkey Track-Cisco Pool. The Turkey Track-Cisco Pool was discovered by the Harvey E. Yates Company Palmillo "6" State Well No. 1 located in Unit K of Section 6, Township 19 South, Range 29 East, NMPM, which was completed in the Cisco formation on October 6, 1998. The top of the perforations is at 9,562 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, bearing the designation of Southwest Willow Lake-Delaware Pool. The Southwest Willow Lake-Delaware Pool was discovered by the Santa Fe Energy Resources, Inc. Chapparal "10" Well No. 1 located in Unit F of Section 10, Township 25 South, Range 28 East, NMPM, which was completed in the

Delaware formation on September 22, 1998. The top of the perforations is at 4,776 feet.

(4) There is need for certain extensions to the North Black River-Atoka Gas Pool, the Cedar Lake-Yeso Pool, the Cemetery-Morrow Gas Pool, the Cotton Draw-Bone Spring Pool, the Crow Flats-Morrow Gas Pool, the East Eagle Creek-Atoka-Morrow Gas Pool, the Livingston Ridge-Delaware Pool, the Loco Hills-Paddock Pool, and the Logan Draw-Morrow Gas Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico, classified as an oil pool for Cisco production is hereby created and designated as the Turkey Track-Cisco Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 6: SW/4

(b) A new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the Southwest Willow Lake-Delaware Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
Section 10: NW/4

(c) The North Black River-Atoka Gas Pool in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 32: E/2
Section 33: N/2
Section 34: NW/4

(d) The Cedar Lake-Yeso Pool in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 19: NW/4

(e) The Cemetery-Morrow Gas Pool in Eddy County, New Mexico, is hereby extended to include:

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TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

Section 12: All

Section 13: N/2

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 7: W/2

Section 18: N/2

(f) The Cotton Draw-Bone Spring Pool in Eddy County, new Mexico, is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 3: E/2

Section 10: NE/4

(g) The Crow Flats-Morrow Gas Pool in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 9: N/2

(h) The East Eagle Creek-Atoka-Morrow Gas Pool in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM

Section 14: All

(i) The Livingston Ridge-Delaware Pool in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 26: SW/4

(j) The Loco Hills-Paddock Pool in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 17: NE/4

Section 22: SE/4

(k) The Logan Draw-Morrow Gas Pool in Eddy County, New Mexico, is hereby

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extended to include:

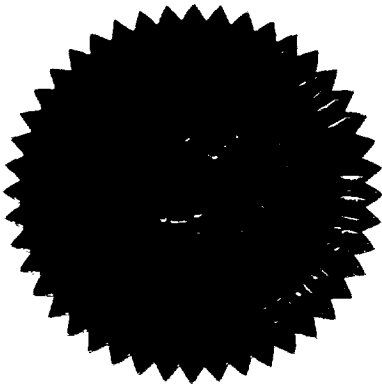
TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 15: E/2

IT IS FURTHER ORDERED THAT:

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

(2) The effective date of this order and all creations and extensions included herein shall be February 1, 1999.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenberg
LORI WROTENBERY
Director

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