

Entered April 23, 1970
A.P.P.

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. 4339
Order No. R-3948

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 15, 1970, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 22nd day of April, 1970, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 Chaves County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Tower-San Andres Pool. Further, that the discovery well for said pool, the Phillips Petroleum Company Marley "A" Well No. 1, located in Unit P of Section 3, Township 11 South, Range 31 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 20,740 barrels to be assigned over a two-year period. Said discovery well was completed in the San Andres formation on February 9, 1970. The top of the perforations is at 4148 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 Saunders Lime formation, said pool to bear the designation of Tres Papalotes-Pennsylvanian Pool. Further, that the discovery well for said pool, the Lone Star Producing Company New Mexico (80) State Well No. 1, located in Unit B of Section 33, Township 14 South, Range 34 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 52,340 barrels to be assigned over a two-year period. Said discovery well was completed in the Saunders Lime formation on February 1, 1970. The top of the perforations is at 10,468 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 Cherry Canyon formation, said pool to bear the designation of Sand Dunes-Cherry Canyon Pool. Said Sand Dunes-Cherry Canyon Pool was discovered by the Texas American Oil Corporation Todd "26" Federal Well No. 2, located in Unit G of Section 26, Township 23 South, Range 31 East, NMPM. It was completed in the Cherry Canyon formation on February 24, 1970. The top of the perforations is at 6012 feet.

(5) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of Warren-Devonian Pool. Said Warren-Devonian Pool was discovered by the Continental Oil Company Semu Burger B Well No. 58, located in Unit C of Section 29, Township 20 South, Range 38 East, NMPM. It was completed in the Devonian formation on February 9, 1970. The top of the perforations is at 7783 feet.

(6) That there is need for the contraction of the Bough Permo-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of certain acreage in order that said acreage may be placed in the Vada-Pennsylvanian Pool.

(7) That there is need for certain extensions to the Buffalo Valley-Pennsylvanian Gas Pool and the Round Tank-Queen Pool, both in Chaves County, New Mexico, the Eagle Creek-San Andres Pool and the Shugart Pool, both in Eddy County, New Mexico, the East Caprock-Devonian Pool, the South Eunice-San Andres Pool, the Maljamar Grayburg-San Andres Pool, and the Quail Ridge-Morrow Gas Pool, all in Lea County, New Mexico, and the Vada-Pennsylvanian Pool in Lea and Roosevelt Counties, New Mexico.

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IT IS THEREFORE ORDERED:

(a) That a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production, is hereby created and designated as the Tower-San Andres Pool, consisting of the following-described area:

TOWNSHIP 11 SOUTH, RANGE 31 EAST, NMPM
Section 3: SE/4

That the discovery well for said pool, Phillips Petroleum Company's Marley "A" Well No. 1, located in Unit P of Section 3, Township 11 South, Range 31 East, NMPM, is hereby authorized an oil discovery allowable of 20,740 barrels to be assigned to said well at the rate of 29 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

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

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 33: NE/4

That the discovery well for said pool, Lone Star Producing Company's New Mexico (80) State Well No. 1, located in Unit B of Section 33, Township 14 South, Range 34 East, NMPM, is hereby authorized an oil discovery allowable of 52,340 barrels to be assigned to said well at the rate of 72 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 26: SW/4 NE/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 29: NW/4

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(e) That the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM
Section 26: S/2

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 1: E/2
Section 12: W/2

(f) That the East Caprock-Devonian 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 23: NE/4

(g) 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 23: NW/4 NW/4

(h) That the South Eunice-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 11: NE/4

(i) That the Maljamar Grayburg-San Andres Pool in Lea County New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 9: NE/4
Section 10: NW/4

(j) That the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 20: All

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(k) That the Round Tank-Queen Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 30: W/2 NW/4 and NW/4 SW/4

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

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 25: W/2 NW/4

(m) That the Bough Permo-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following-described area:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
Section 14: S/2

(n) That the Vada-Pennsylvanian Pool in Lea and Roosevelt Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 26: NW/4
Section 27: NE/4

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 13: S/2

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
Section 18: S/2

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
Section 10: SE/4
Section 14: S/2
Section 15: NE/4
Section 23: NW/4

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

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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 Forms 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 May 1, 1970.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

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