

Entered January 16, 1980  
JMP

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 6756  
Order No. R-6255  
NOMENCLATURE

APPLICATION OF AMOCO PRODUCTION  
COMPANY FOR POOL CONTRACTION AND  
CREATION, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on December 12, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of January, 1980, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant in this case, Amoco Production Company, requested the contraction of the vertical limits of the Air Strip-Bone Spring Pool in Section 25, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, to comprise the Middle Bone Spring formation only, from 9300 feet to 9460 feet, and the creation of the Air Strip-Upper Bone Spring Pool to comprise the Upper Bone Spring formation only, from 9180 feet to 9260 feet, and the creation of the Air Strip-Lower Bone Spring Pool, to comprise the Lower Bone Spring formation only, from 10,100 feet to 10,400 feet, all depths being from the log of applicant's State FU Well No. 2, located in Unit N of the aforesaid Section 25.
- (3) That the applicant further seeks the assignment of 51,310 barrels of oil discovery allowable to its State FU Well No. 2 as the discovery well for the proposed Air Strip-Lower Bone Spring Pool.

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(4) That at the hearing, the applicant amended its application and now requests that the Air Strip-Bone Spring Pool be contracted to include the upper and middle sections of the Bone Spring formation only, with vertical limits from 9180 feet to 9460 feet and that only the new Lower Bone Spring pool described in Finding No. (2) above be created.

(5) That it appears that the upper section of the Bone Spring formation, taken by itself, is non-commercial and should be combined with the middle section of the Bone Spring formation to designate a pool, and that said pool should be known as the Air Strip-Upper Bone Spring Pool with vertical limits from 9180 feet to 9460 feet on the log of the Amoco State FU Well No. 2 located in Unit N of Section 25, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and with horizontal limits comprising the following described lands:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 25: SE/4 and E/2 SW/4

(6) That to accomplish the above-described designation of an upper Bone Spring pool, it would be best to contract the vertical limits of the present Air Strip-Bone Spring Pool to the limits described above, extend the horizontal limits of said pool to the horizontal limits described above, and redesignate said pool the Air Strip-Upper Bone Spring Pool.

(7) That there is need for the creation of a lower Bone Spring pool, said pool to be designated the Air Strip-Lower Bone Spring Pool and have vertical limits from 10,100 feet to 10,400 feet on the log of the above-described Amoco State FU Well No. 2, and horizontal limits comprising the following described lands:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 25: SW/4

(8) That the discovery well for the aforementioned Air Strip-Lower Bone Spring Pool, the Amoco State FU Well No. 2, located in Unit N of Section 25, Township 18 South, Range 34 East, NMPM, should have reserved to it 51,310 barrels of oil discovery allowable, with actual assignment of the discovery allowable deferred until said well is recompleted in the aforesaid Air Strip-Lower Bone Spring Pool.

(9) That an order embodying the above findings will not impair correlative rights nor cause waste and should be approved.

IT IS THEREFORE ORDERED:

(1) That the Air Strip-Bone Spring Pool in Lea County, New Mexico, is hereby redesignated the Air Strip-Upper Bone Spring Pool, and the vertical limits of said Air Strip-Upper Bone Spring Pool are established as being that interval in the Bone Spring formation from 9180 feet to 9460 feet on the log of the Amoco State FU Well No. 2 located in Unit N of Section 25, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and the horizontal limits of said pool are established as comprising the following described area:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 25: SE/4 and E/2 SW/4

(2) That a new pool for Lower Bone Spring production, classified as an oil pool and designated the Air Strip-Lower Bone Spring Pool is hereby created, with vertical limits established as being that interval in the Bone Spring formation from 10,100 feet to 10,400 feet on the log of the aforementioned Amoco State FU Well No. 2, and the horizontal limits of said pool are established as comprising the following described lands in Lea County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 25: SW/4

(3) That the discovery well for the aforesaid Air Strip-Lower Bone Spring Pool, the Amoco Production Company State FU Well No. 2, located in Unit N of Section 25, Township 18 South, Range 34 East, NMPM, shall have reserved to it 51,310 barrels of oil discovery allowable, with actual assignment of such discovery allowable to the well for production deferred until such time as the well has been recompleted in the Lower Bone Spring formation. Assignment and production of the discovery allowable shall in all other ways comply with the provisions of Rule 509 of the Division's Rules and Regulations.

(4) That this order shall become effective February 1, 1980.

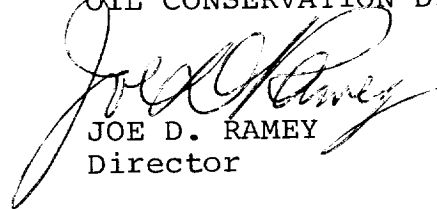
(5) That jurisdiction of this cause is hereby retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY  
Director

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