

Entered September 19, 1983  
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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. 7960  
Order No. R-7351

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER CREATING, ASSIGNING DISCOVERY  
ALLOWABLE, AND EXTENDING CERTAIN POOLS  
IN CHAVES, EDDY, AND LEA COUNTIES, NEW  
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 14, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 19th day of September, 1983, 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 there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Diamondtail-Atoka Gas Pool. Said Diamondtail-Atoka Gas Pool was discovered by The Superior Oil Company Triste Draw Gulf Federal Well No. 1 located in Unit N of Section 11, Township 23 South, Range 32 East, NMPM. It was completed in the Atoka formation on April 14, 1983. The top of the perforations is at 14,373 feet.

(3) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Pennsylvanian formation, said pool to bear the designation of West McDonald-Pennsylvanian Pool. Said West McDonald-Pennsylvanian Pool was discovered by the Harvey E. Yates Company Richardson Fee Well No. 3 located in Unit D of Section 5, Township 14 South,

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Range 36 East, NMPM. It was completed in the Pennsylvanian formation on June 22, 1983. The top of the perforations is at 10,511 feet.

(4) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of West Pearl-San Andres Pool. Further, that the discovery well for said pool, the Gulf Oil Corporation Lea AQ State Well No. 1 located in Unit A of Section 32, Township 19 South, Range 35 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 28,085 barrels, to be assigned over a two-year period. Said discovery well was completed in the San Andres formation on June 19, 1983. The top of the perforations is at 5,634 feet.

(5) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Northwest Red Hills-Atoka Gas Pool. Said Northwest Red Hills-Atoka Gas Pool was discovered by The Superior Oil Company Paduca Federal Unit Com Well No. 1 located in Unit H of Section 22, Township 25 South, Range 32 East, NMPM. It was completed in the Atoka formation on May 28, 1983. The top of the perforations is at 14,135 feet.

(6) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of East Red Tank-Morrow Gas Pool. Said East Red Tank-Morrow Gas Pool was discovered by The Superior Oil Company Connally Federal Well No. 1 located in Unit J of Section 15, Township 22 South, Range 32 East, NMPM. It was completed in the Morrow formation on July 22, 1982. The top of the perforations is at 14,668 feet.

(7) That there is need for the dismissal of the extension to the Springer Basin-Morrow Gas Pool in Chaves County, New Mexico, pending further study.

(8) That there is need for certain extensions to the Elkins-San Andres Pool, the West Pecos Slope-Abo Gas Pool, all in Chaves County, New Mexico, and the Angell Ranch Atoka-Morrow Gas Pool, the Avalon-Upper Pennsylvanian Gas Pool, the Bear Draw Queen-Grayburg-San Andres Pool, the East Burton-Delaware Pool, the South Culebra Bluff-Bone Spring Pool, the East Eagle Creek Atoka-Morrow Gas Pool, and the North Square Lake Grayburg-San Andres Pool, all in Eddy County, New Mexico, and the South Brunson-Abo Pool, the Flying "M"-San Andres Pool, and the Scharb-Bone Spring Pool, all in Lea County, New Mexico.

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IT IS THEREFORE ORDERED:

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM  
Section 11: S/2

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

TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM  
Section 5: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM  
Section 32: NE/4

Further, that the discovery well for said West Pearl-San Andres Pool, being the Gulf Oil Corporation Lea AQ State Well No. 1 located in Unit A of Section 32, Township 19 South, Range 35 East, NMPM, is hereby assigned a bonus discovery allowable in the amount of 28,085 barrels to be produced over a two-year period.

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

TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM  
Section 22: E/2

(e) That a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production is hereby created and designated as the East Red Tank-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM  
Section 15: S/2

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 15: All  
Section 16: All

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 4: All  
Section 9: N/2

(h) That the Bear Draw Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM  
Section 21: S/2

(i) That the South Brunson-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM  
Section 31: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 16: SW/4  
Section 21: NW/4

(k) That the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 15: All  
Section 16: All

(l) That the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined,

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and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM  
Section 15: All

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

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM  
Section 16: SW/4

(n) That the Flying "M"-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM  
Section 9: NE/4  
Section 10: N/2

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

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM  
Section 30: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 30: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM  
Section 30: NE/4

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

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM  
Section 18: NE/4

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(s) That the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 6 SOUTH, RANGE 22 EAST, NMPM

Sections 1 through 4: All  
Sections 9 through 16: All  
Sections 20 through 28: All  
Sections 33 through 36: All

TOWNSHIP 6 SOUTH, RANGE 23 EAST, NMPM

Section 7: All  
Sections 18 and 19: All  
Sections 30 and 31: All

TOWNSHIP 7 SOUTH, RANGE 22 EAST, NMPM

Sections 3 and 4: All  
Sections 9 through 11: All  
Sections 14 through 16: All  
Sections 21 through 28: All  
Sections 33 through 36: All

TOWNSHIP 7 SOUTH, RANGE 23 EAST, NMPM

Section 15: W/2

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM

Sections 1 through 4: All  
Sections 9 through 11: All  
Section 12: SW/4  
Section 13: W/2  
Sections 14 through 16: All  
Sections 21 and 22: All  
Section 23: W/2 and NE/4  
Section 24: NW/4

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM

Section 1: E/2  
Section 12: E/2  
Section 13: E/2  
Section 24: E/2

TOWNSHIP 9 SOUTH, RANGE 23 EAST, NMPM

Section 6: W/2  
Section 7: All  
Section 18: W/2  
Section 19: W/2

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(t) That the Scharb-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM  
Section 4: NW/4

(u) That the proposed extension to the Springer Basin-Morrow Gas Pool in Chaves County, New Mexico, is hereby dismissed pending further study.

(v) That the North Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM  
Section 10: S/2 S/2  
Section 15: NE/4

IT IS FURTHER ORDERED:

(1) That pursuant to Section 70-2-18, NMSA 1978, 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 Division. 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 Division within said 60-day period shall subject the well to cancellation of the allowable.

(2) That the effective date of this order and all creations, discovery allowable assignments, and extensions included herein shall be October 1, 1983.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

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