

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. 8930
Order No. R-8256

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 25, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of July, 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Queen formation, said pool to bear the designation of North Lovington-Queen Pool. Said North Lovington-Queen Pool was discovered by the Lynx Petroleum Consultants, Inc. Geraldine Doughty Well No. 1 located in Unit K of Section 25, Township 16 South, Range 36 East, NMPM. It was completed in the Queen formation on March 20, 1986. The top of the perforations is at 3,988 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Mississippian formation, said pool to bear the designation of South Shoe Bar-Mississippian Gas Pool. Said South Shoe Bar-Mississippian Gas Pool was discovered by the Manzano Oil Corporation Apple MS Well No. 1 located

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in Unit C of Section 12, Township 17 South, Range 35 East, NMPM. It was completed in the Mississippian formation on March 25, 1986. The top of the perforations is at 13,024 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of Stallion-Devonian Pool. Further, the discovery well for said Stallion-Devonian Pool, the American Trading and Production Corporation Lowe Federal Well No. 1 located in Unit D of Section 7, Township 13 South, Range 38 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 60,845 barrels to be assigned over a two-year period. Said discovery well was completed in the Devonian formation on April 24, 1986. The top of the perforations is at 12,190 feet.

(5) There is need for the reclassification of the Scharb-Queen Gas Pool in Lea County, New Mexico, as the Scharb-Queen Oil Pool due to the reclassification of the only producing well in the pool from gas to oil.

(6) There is need for certain extensions to the South Humble City-Strawn Pool, the King-Pennsylvanian Pool, the Querecho Plains-Lower Bone Spring Pool, the San Simon-Wolfcamp Pool, the San Simon-Yates Pool, and the West Tonto-Bone Spring Pool, all in Lea County, New Mexico.

(7) The effective date of this order and all creations, discovery allowables, reclassifications, and extensions included herein should be July 1, 1986.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico, classified as an oil pool for Queen production is hereby created and designated as the North Lovington-Queen Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 25: SW/4

(b) A new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production is hereby created and designated as the South Shoe Bar-Mississippian Gas Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 12: N/2

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

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 7: NW/4

Further, the discovery well for said Stallion-Devonian Pool, the American Trading and Production Corporation Lowe Federal Well No. 1 located in Unit D of Section 7, Township 13 South, Range 38 East, NMPM, is hereby assigned a bonus discovery allowable of 60,845 barrels to be produced over a two-year period.

(d) The Scharb-Queen Gas Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 3: SW/4

is hereby reclassified as an oil pool and designated as the Scharb-Queen Pool.

(e) The South Humble City-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 14: NE/4

(f) The King-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM
Section 35: NE/4

(g) The Querecho Plains-Lower Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 26: SW/4
Section 27: SE/4

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(h) The San Simon-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 5: NE/4

(i) The San Simon-Yates Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 4: SW/4

(j) The West Tonto-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 12: SE/4

IT IS FURTHER ORDERED THAT:

(1) 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 the said 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, discovery allowables, reclassifications, and extensions included herein shall be July 1, 1986.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets

R. L. STAMETS

ccing Director

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