

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. 9291
Order No. R-8584

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 6, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of January, 1988, 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 Drinkard formation, said pool to bear the designation of East Nadine-Drinkard Pool. Said East Nadine-Drinkard Pool was discovered by the Crown Central Petroleum Corporation Emerald Well No. 1 located in Unit P of Section 25, Township 19 South, Range 38 East, NMPM. It was completed in the Drinkard formation on November 25, 1987. The top of the perforations is at 7,041 feet.

(3) There is need for certain extensions to the West Caprock-Morrow Gas Pool in Chaves County, New Mexico, and the Antelope Ridge-Atoka Gas Pool, the Antelope Ridge-Morrow Gas Pool, the Arkansas Junction-Queen Gas Pool, the Central Corbin-Queen Pool, the Gladiola-Wolfcamp Pool, the Justis Tubb-Drinkard Pool, the Kemnitz-Lower Wolfcamp Pool, the Northeast Lovington-Pennsylvanian Pool, the East Lusk-Bone

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Spring Pool, the West Lusk-Delaware Pool, the Maljamar Grayburg-San Andres Pool, the South Shoe Bar-Devonian Pool, the South Shoe Bar-Upper Pennsylvanian Pool, the East Shugart-Delaware Pool, and the Townsend Permo-Upper Pennsylvanian Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 25: SE/4

(b) The Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 34: E/2

(c) The Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 34: E/2

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 3: E/2
Section 10: NE/4

(d) The Arkansas Junction-Queen Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 23: SW/4
Section 26: NW/4
Section 27: E/2 and SW/4

(e) The West Caprock-Morrow Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM
Section 24: N/2

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 8: NE/4

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

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 16: SE/4

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 36: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4
Section 35: NW/4

(j) 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 16: NW/4
Section 29: SW/4

(k) The East Lusk-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 2: W/2
Section 3: SE/4

(l) The West Lusk-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described,

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is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 31: E/2

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 6: N/2

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 2: NE/4

(n) The South Shoe Bar-Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 36: SE/4

(o) The South Shoe Bar-Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 1: E/2

(p) The East Shugart-Delaware 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 19: SW/4

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

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 25: E/2

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, 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

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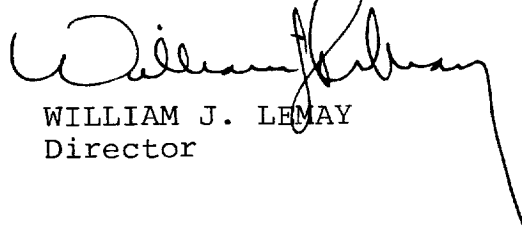
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this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion 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 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, 1988.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name and title. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY
Director

S E A L

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