

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. 10825
Order No. R-9963

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 9, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 20th day of September, 1993, 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 Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Northeast Avalon-Strawn Gas Pool. Said Northeast Avalon-Strawn Gas Pool was discovered by the Bravo Operating Company Mesa Macho Well No. 1 located in Unit 0 of Section 24, Township 20 South, Range 27 East, NMPM. It was completed in the Strawn formation on June 1, 1993. The top of the perforations is at 10,136 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of East Dark Canyon-Delaware Pool. Said East Dark Canyon-Delaware Pool was discovered by the Dakota Resources, Inc. Drag C Well No. 2 located in Unit 0 of Section 19, Township 23 South,

Case No. 10825
Order No. R-9963
-2-

Range 27 East, NMPM. It was completed in the Delaware formation on May 7, 1993. The top of the perforations is at 3,825 feet.

(4) There is need for certain extensions to the Southeast Acme-Sam Andres Pool and the East Chisum-San Andres Pool, both in Chaves County, New Mexico, the South Carlsbad-Morrow Gas Pool, the Cedar Lake-Strawn Pool, the South Culebra Bluff-Bone Spring Pool, the Empire Yates-Seven Rivers Pool, the Frontier Hills-Strawn Gas Pool, the Happy Valley-Delaware Pool, the Indian Basin-Morrow Gas Pool, the Indian Basin-Upper Pennsylvanian Associated Pool, the Ingle Wells-Delaware Pool, the Los Medanos-Delaware Pool, the East Loving-Brushy Canyon Pool, the East Millman Queen-Grayburg-San Andres Pool, the Penasco Draw-Permo Pennsylvanian Gas Pool, and the West Sand Dunes-Delaware Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production is hereby created and designated as the Northeast Avalon-Strawn Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 24: E/2

(b) A new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the East Dark Canyon-Delaware Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 19: SE/4

(c) The Southeast Acme-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 13: E/2 NW/4 and NW/4 NW/4

(d) The South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 33: S/2

(e) The Cedar Lake-Strawn Pool in Eddy County, New

Case No. 10825
Order No. R-9963
-3-

Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 2: SE/4

(f) The East Chisum-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM
Section 15: SW/4

(g) 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 22 SOUTH, RANGE 28 EAST, NMPM
Section 34: S/2

(h) The Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 34: SE/4

(i) The Frontier Hills-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 22: S/2

(j) The Happy Valley-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 33: NW/4 NW/4 and S/2 NW/4

(k) The Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 15: S/2
Section 22: All

(l) The Indian Basin-Upper Pennsylvanian Associated Pool

Case No. 10825
Order No. R-9963
-4-

in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 27: S/2
Section 34: All

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM
Sections 3, 9, 10, and 16: All
Section 17: E/2

(m) The Ingle Wells-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 24: SW/4
Section 25: W/2

(n) The Los Medanos-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 17: SW/4

(o) The East Loving-Brushy Canyon 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 9: NE/4

(p) The East Millman Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 6: NW/4

(q) The Penasco Draw-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 11: E/2
Section 14: N/2

(r) The West Sand Dunes-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described,

Case No. 10825
Order No. R-9963
-5-

is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 33: NE/4

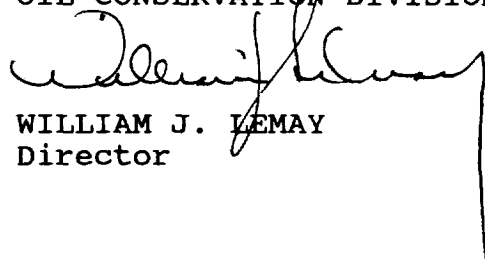
IT IS FURTHER ORDERED THAT:

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

(2) The effective date of this order and all creations and extensions included herein shall be October 1, 1993.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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