

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. 12575
Order No. R-11534

APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER ABOLISHING,
REDESIGNATING, AND EXTENDING
VERTICAL AND HORIZONTAL LIMITS
OF CERTAIN POOLS IN CHAVES AND
EDDY COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on January 11, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 8th day of February, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (2) There is need for the abolishment of the Southwest Forty Niner Ridge-Delaware Pool in Eddy County, New Mexico to correct nomenclature.
- (3) There is need for the abolishment of the Nash Draw-Cherry Canyon Pool in Eddy County, New Mexico to correct nomenclature.
- (4) There is need for the extension of the vertical limits of the Nash Draw-Brushy Canyon Pool in Eddy County, New Mexico to include all of the Delaware Mountain Group from the top of the Lamar formation to the base of the Brushy Canyon formation and the redesignation of the pool as the Nash Draw-Delaware Pool.

(5) There is need for certain extensions to the Baldrige Canyon-Morrow Gas Pool, the Big Sinks-Wolfcamp Gas Pool, the West Burton Flat-Strawn Gas Pool, the Catclaw Draw-Morrow Gas Pool, the Cedar Lake-Yeso Pool, the Southeast Crow Flats-Morrow Gas Pool, the Diamond Mound-Morrow Gas Pool, the East Eagle Creek-Atoka-Morrow Gas Pool, the Empire-Yeso Pool, the East Empire-Yeso Pool, the Frontier Hills-Strawn Gas Pool, the Hoag Tank-Morrow Gas Pool, the Indian Basin-Morrow Gas Pool, the Logan Draw-Morrow Gas Pool, the Lost Tank-Delaware Pool, the East Millman-Yates-Seven Rivers-Queen-Grayburg-San Andres Pool, the Mosley Canyon-Strawn Gas Pool, the West Parkway-Morrow Gas Pool, the Phantom Draw-Wolfcamp Gas Pool, the Southeast Quahada Ridge-Delaware Pool, the Red Lake-Glorieta-Yeso Pool, the North Shugart-Bone Spring Pool, the North Shugart-Morrow Gas Pool, the Turkey Track-Morrow Gas Pool, and the Willow Lake-Bone Spring Pool, all in Eddy County, New Mexico, and the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico.

(6) The effective date of this order and all abolishments, redesignations, and extensions of vertical and horizontal limits should be February 1, 2001.

IT IS THEREFORE ORDERED THAT:

(a) The Baldrige Canyon-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 31: NE/4

(b) The Big Sinks-Wolfcamp Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM
Section 5: N/2

(c) The West Burton Flat-Strawn Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 5: Lots 1 through 8
Section 6: Lots 1, 2, 7 and 8

(d) The Catclaw Draw-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
Section 2: Lots 1 through 8

(e) The Cedar Lake-Yeso Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 18: NW/4

(f) The Southeast Crow Flats-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 3: N/2

(g) The Diamond Mound-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM

Section 5: SW/4

Section 8: W/2

(h) The East Eagle Creek-Atoka-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 6: W/2

(i) The Empire-Yeso Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 19: NE/4

(j) The East Empire-Yeso Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 17: SE/4

(k) The Southwest Forty Niner Ridge-Delaware Pool in Eddy County, New Mexico, consisting of the following described acreage, is hereby abolished:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 30: W/2

(l) The Frontier Hills-Strawn Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 10: W/2

(m) The Hoag Tank-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM

Section 10: SE/4

Section 11: SW/4

Section 15: N/2

(n) The Indian Basin-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM

Section 3: All

(o) The Logan Draw-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 10: S/2

Section 26: E/2

(p) The Lost Tank-Delaware Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 31 EAST, NMPM

Section 35: S/2

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 2: NW/4

(q) The East Millman-Yates-Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 15: NW/4

Section 16: NE/4

(r) The Mosley Canyon-Strawn Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM

Section 7: S/2

(s) The vertical limits of the Nash Draw-Brushy Canyon Pool in Eddy County, New Mexico are hereby extended to include all of the Delaware Mountain Group

from the top of the Lamar formation to the base of the Brushy Canyon formation and the pool is hereby redesignated as the Nash Draw-Delaware Pool.

(t) The Nash Draw-Cherry Canyon Pool in Eddy County, New Mexico, consisting of the following described acreage, is hereby abolished:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 13: NE/4

(u) The West Parkway-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 20: N/2

(v) The Pecos Slope-Abo Gas Pool in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM
Section 32: S/2
Section 33: SW/4 and E/2

(w) The Phantom Draw-Wolfcamp Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
Section 29: NW/4
Section 30: N/2

(x) The Southeast Quahada Ridge-Delaware Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 1: SE/4

(y) The Red Lake-Glorieta-Yeso Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 8: E/2

(z) The North Shugart-Bone Spring Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 24: SE/4

(aa) The North Shugart-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 6: E/2

(bb) The Turkey Track-Morrow Gas Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 12: N/2

(cc) The Willow Lake-Bone Spring Pool in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 26: W/2

IT IS FURTHER ORDERED THAT:

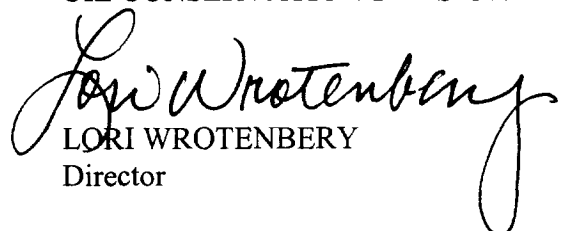
(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102, dedicating a standard unit for the pool to that 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 that 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, abolishments, redesignations, and extensions of vertical and horizontal limits shall be February 1, 2001.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

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