

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. 11197
Order No. R-10303

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN ORDER
CREATING, EXTENDING VERTICAL AND
HORIZONTAL LIMITS, AND REDESIGNATING
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 19, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 23rd day of January, 1995, 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 Delaware formation, said pool to bear the designation of Bell Lake-Delaware Pool. Said Bell Lake-Delaware Pool was discovered by the Strata Production Company Papagayo Federal Well No. 1 located in Unit M of Section 27, Township 23 South, Range 34 East, NMPM. It was completed in the Delaware formation on September 7, 1994. The top of the perforations is at 6,892 feet.

(3) 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 Casey-San Andres Pool. Said Casey-San Andres Pool was discovered by the Yates Petroleum Corporation Burton AER Well No. 1 located in Unit J of Section 26, Township 16 South, Range 37 East, NMPM. It was completed in the San Andres formation on June 3, 1994. The top of the perforations is at 4,966 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of West Knowles-Strawn Pool. Said West Knowles-Strawn Pool was discovered by the Anson Gas Corporation Anderson 33 Well No. 1, the bottomhole location in Unit G of Section 33, Township 16 South, Range 38 East, NMPM. It was completed in the Strawn formation on October 12, 1994. The top of the perforations is at 11,321 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Grayburg formation, said pool to bear the designation of Northeast Lea-Grayburg Pool. Said Northeast Lea-Grayburg Pool was discovered by the Mallon Oil Company Mallon 34 Federal Well No. 1 located in Unit D of Section 34, Township 19 South, Range 34 East, NMPM. It was completed in the Grayburg formation on October 6, 1994. The top of the perforations is at 5,094 feet.

(6) 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 Southeast Lusk-Atoka Gas Pool. Said Southeast Lusk-Atoka Gas Pool was discovered by the Fina Oil and Chemical Company Federal HH 33 Well No. 1 located in Unit G of Section 33, Township 19 South, Range 32 East, NMPM. It was completed in the Atoka formation on August 1, 1994. The top of the perforations is at 12,040 feet.

(7) There is need for the extension of the vertical limits of the Hardy-Simpson Pool in Lea County, New Mexico, to include the Ellenburger formation and the redesignation of said pool as the Hardy Simpson-Ellenburger Pool.

(8) There is need for certain extensions to the Chaveroo-San Andres Pool in Chaves County, New Mexico, and the Gem-Morrow Gas Pool, the Northeast Lea-Delaware Pool, the East Livingston Ridge-Delaware Pool, the East Lusk-Delaware Pool, the Mesa Verde-Delaware Pool, the Red Hills-Bone Spring Pool, and the West Red Tank-Delaware Pool, all in Lea County, New Mexico.

Case No. 11197
Order No. R-10303

-3-

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 27: SW/4

(b) A new pool in Lea County, New Mexico, classified as an oil pool for San Andres production is hereby created and designated as the Casey-San andres Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 26: SE/4

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

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 33: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 34: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 33: N/2

(f) The vertical limits of the Hardy-Simpson Pool in Lea County, New Mexico, as heretofore classified, defined, and described, are hereby extended to include the

Case No. 11197
Order No. R-10303

-4-

Ellenburger formation and said pool is hereby redesignated as the Hardy Simpson-Ellenburger Pool.

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 24: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 22: N/2

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 34: E/2

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 3: NE/4

(j) The East Livingston Ridge-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 10: W/2

(k) The East Lusk-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 1: W/2
Section 2: NE/4

(l) The Mesa Verde-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 11197
Order No. R-10303
-5-

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 7: NW/4

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 6: SW/4
Section 7: SE/4

(n) The West Red Tank-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4
Section 34: NW/4

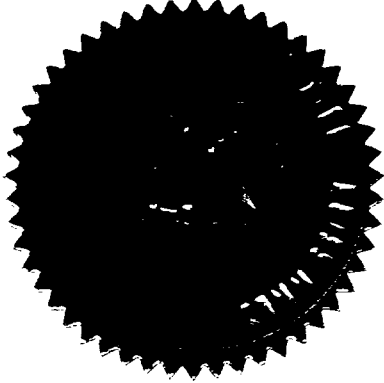
IT IS FURTHER ORDERED THAT:

(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, extensions of vertical and horizontal limits, and redesignations included herein shall be February 1, 1995.

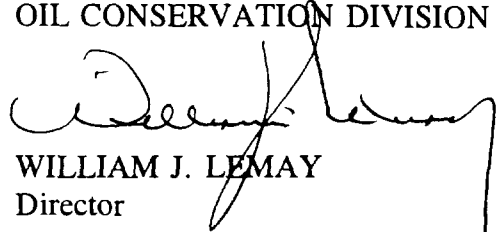
Case No. 11197
Order No. R-10303
-6-

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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