

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. 11249
Order No. R-10342

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, CONTRACTING VERTICAL
LIMITS, REDESIGNATING, 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 April 6, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of April, 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 Cinta Roja-Delaware Pool. Said Cinta Roja-Delaware Pool was discovered by the Pogo Producing Company Antelope 5 Federal Well No. 1 located in Unit F of Section 5, Township 24 South, Range 35 East, NMPM. It was completed in the Delaware formation on December 30, 1994. The top of the perforations is at 8,640 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of

Fairview Mills-Bone Spring Pool. Said Fairview Mills-Bone Spring Pool was discovered by the Enron Oil and Gas Company Fairview 14 Fee Well No. 1 located in Unit G of Section 14, Township 25 South, Range 34 East, NMPM. It was completed in the Bone Spring formation on January 18, 1995. The top of the perforations is at 12,390 feet.

(4) 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 Salt Lake-Atoka Gas Pool. Said Salt Lake-Atoka Gas Pool was discovered by the TOCO LLC Hanson State Well No. 1 located in Unit N of Section 13, Township 20 South, Range 32 East, NMPM. It was completed in the Atoka formation on January 27, 1995. The top of the perforations is at 12,220 feet.

(5) 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 South Salt Lake-Delaware Pool. Said South Salt Lake-Delaware Pool was discovered by the Strata Production Company Sam H. Snoddy Federal Well No. 1 located in Unit A of Section 26, Township 20 South, Range 32 East, NMPM. It was completed in the Delaware formation on August 19, 1993. The top of the perforations is at 6,236 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Salt Lake-Morrow Gas Pool. Said Salt Lake-Morrow Gas Pool was discovered by the TOCO LLC Hanson State Well No. 1 located in Unit N of Section 13, Township 20 South, Range 32 East, NMPM. It was completed in the Morrow formation on September 1, 1994. The top of the perforations is at 13,032 feet.

(7) 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 San Simon-Strawn Pool. Said San Simon-Strawn Pool was discovered by the Mitchell Energy Corporation San Simon 5 State Well No. 2 located in Unit G of Section 5, Township 22 South, Range 35 East, NMPM. It was completed in the Strawn formation on November 17, 1994. The top of the perforations is at 11,696 feet.

(8) 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 Warren-San Andres Pool. Said Watren-San Andres Pool was discovered by the Conoco Inc. Warren Unit Well No. 108 located in Unit J of Section 28, Township 20 South, Range 38 East, NMPM. It was completed in the San Andres formation on January 15, 1995. The top of the perforations is at 4,434 feet.

(9) There is need for the contraction of the vertical limits of the Querecho Plains-Pennsylvanian Pool in Lea County, New Mexico, to include only the Strawn formation and the redesignation of said pool as the Querecho Plains-Strawn Pool.

(10) There is need for certain extensions to the Antelope Ridge-Cherry Canyon Pool, the East Bell Lake-Delaware Pool, the DK-Drinkard Pool, the East EK-Queen Pool, the Southwest Jabalina-Atoka Gas Pool, the East Livingston Ridge-Delaware Pool, the North Lusk-Morrow Gas Pool, the Mesa Verde-Bone Spring Pool, the Monument-Tubb Pool, the Pearsall-Queen Pool, the Pitchfork Ranch-Atoka Gas Pool, the Red Hills-Bone Spring Pool, the Red Tank-Bone Spring Pool, the West Red Tank-Delaware Pool, the South Sand Dunes-Bone Spring Pool, the North Teague Drinkard-Abo Pool, the North Teague Lower Paddock-Blinebry Associated Pool, the North Teague-Tubb Associated Pool, and the Northwest Townsend-Abo 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 Delaware production is hereby created and designated as the Cinta Roja-Delaware Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM
Section 5: NW/4

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 14: NE/4

(c) A new pool in Lea County, New Mexico, classified as a gas pool for Atoka production is hereby created and

designated as the Salt Lake-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 13: S/2

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

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 26: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 13: S/2

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

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

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 28: SE/4

(h) The vertical limits of the Querecho Plains-Pennsylvanian Pool in Lea County, New Mexico, are hereby contracted to include only the Strawn formation and said pool is hereby redesignated as the Querecho Plains-Strawn Pool.

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

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

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 33: NE/4
Section 34: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 29: W/2

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

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 15: SW/4
Section 22: N/2 NW/4

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

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM
Section 19: SW/4
Section 30: W/2

(n) 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 3: SW/4
Section 4: SE/4

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

Case No. 11249
Order No. R-10342
-6-

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 22: W/2

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

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 6: W/2

(q) The Monument-Tubb Pool in Lea County, new Mexico, as heretofore classified, defined, and described. is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 3: NE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 7: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 28: SW/4

(s) The Pitchfork Ranch-Atoka Gas 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 3: SE/4

(t) 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 33 EAST, NMPM
Section 1: E/2

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 8: SW/4
Section 17: N/2

(u) The Red Tank-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is

Case No. 11249
Order No. R-10342
-7-

hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 24: SW/4

(v) 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: NE/4

(w) The South Sand Dunes-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 31: NW/4

(x) The North Teague Drinkard-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 4: SW/4
Section 5: SE/4
Section 9: S/2 NW/4

(y) The North Teague Lower Paddock-Blinebry Associated Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 4: SW/4

(z) The North Teague-Tubb Associated Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 5: SE/4
Section 8: NE/4
Section 9: NE/4 and SW/4

(aa) The Northwest Townsend-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 11249
Order No. R-10342
-8-

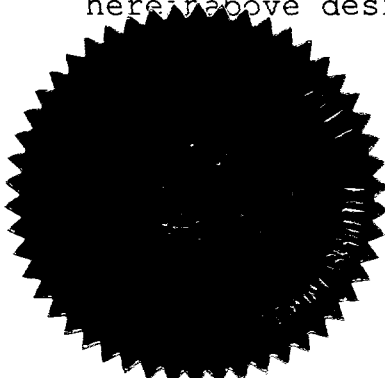
TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: S/2 and Lots 11, 12, 13,
and 14

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.

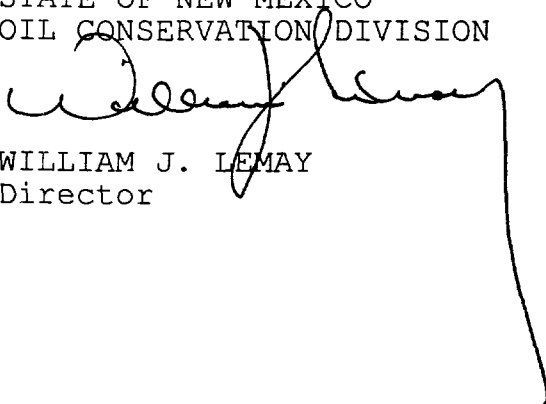
(2) The effective date of this order and all creations, contractions of vertical limits, redesignations, and extensions included herein shall be May 1, 1995.

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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