

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. 11341
Order No. R-10420

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 13, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 17th day of July, 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 Eddy County, New Mexico. for the production of oil from the Bone Spring formation, said pool to bear the designation of Avalon-Bone Spring Pool. Said Avalon-Bone Spring Pool was discovered by the Ray Westall Federal "2" Well No. 2 located in Unit L of Section 29, Township 20 South, Range 27 East, NMPM. It was completed in the Bone Spring formation on April 15, 1995. The top of the perforations is at 6,200 feet.

(3) There is need for the dismissal of the proposed creation of the Southwest Forty Niner Ridge-Delaware Pool in Eddy County, New Mexico, pending further study.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production, said pool to bear the designation of White City-Delaware Pool. Said White City-Delaware Pool was discovered by the Energex Company Shearnwest Federal Well No. 1 located in Unit I of Section 11, Township 25 South, Range 25 East,

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NMPM. It was completed in the Delaware formation on January 31, 1994. The top of the perforations is at 4,268 feet.

(5) There is need for certain extensions to the Chisum-Devonian Pool in Chaves County, New Mexico, and the East Avalon-Bone Spring Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the North Illinois Camp-Morrow Gas Pool, the Ingle Wells-Delaware Pool, the Malaga-Atoka Gas Pool, the Nash Draw-Brushy Canyon Pool, the Penasco Draw-Atoka Gas Pool, the East Ross Draw-Delaware Pool, the Santo Nino-Bone Spring Pool, and the Wye-Delaware Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 29: SW/4

(b) The proposed creation of the Southwest Forty Niner Ridge-Delaware Pool in Eddy County, New Mexico, is hereby dismissed.

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

TOWNSHIP 25 SOUTH, RANGE 25 EAST, NMPM
Section 11: SE/4

(d) The East Avalon-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 25: NW/4

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

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TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 12: W/2

(f) The North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 16: NE/4

(g) The North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 16: W/2
Section 21: N/2

(h) 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 13: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 5: S/2
Section 6: SE/4

(j) The Nash Draw-Brushy Canyon Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 13: NW/4
Section 14: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 34: E/2

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(l) The East Ross Draw-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 24: SW/4
Section 25: NW/4

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

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

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

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 28: SW/4
Section 29: S/2

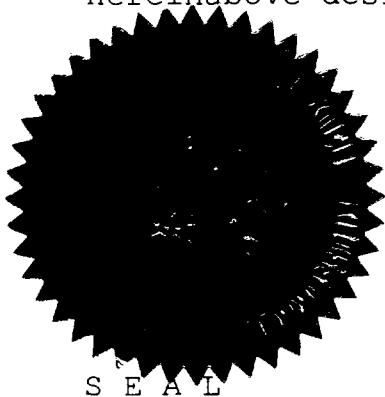
IT IS FURTHER ORDERED THAT:

(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.

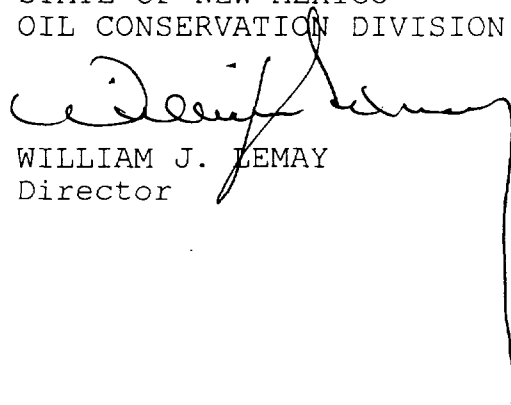
(2) The effective date of this order and all creations and extensions included herein shall be August 1, 1995.

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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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