

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. 11400
Order No. R-10488

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING 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 October 5, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 13th day of October, 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 Atoka formation, said pool to bear the designation of Dean-Atoka Pool. Said Dean-Atoka Pool was discovered by the Lynx Petroleum Consultants Inc. Dean State Well No. 1 located in Unit C of Section 35, Township 15 South, Range 36 East, NMPM. It was completed in the Atoka formation on August 1, 1995. The top of the perforations is at 11,708 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 Draper Mill-Bone Spring Pool. Said Draper Mill-Bone Spring Pool was discovered by the Enron Oil and Gas Company Ochoa Federal Well No. 1 located in Unit G of Section 15, Township 25 South, Range 33 East, NMPM. It was completed in the Bone Spring formation on February 13, 1995. The top of the perforations

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is at 12,190 feet.

(4) 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 North Hardy-San Andres Pool. Said North Hardy-San Andres Pool was discovered by the Conoco Inc. Hardy 36 State Well No. 7 located in Unit E of Section 36, Township 20 South, Range 37 East, NMPM. It was completed in the San Andres formation on June 1, 1995. The top of the perforations is at 3,998 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of West Knowles-Devonian Pool. Said West Knowles-Devonian Pool was discovered by the AnSon Gas Corporation Mary 33 Well No. 1 located in Unit F of Section 33, Township 16 South, Range 38 East, NMPM. It was completed in the Devonian formation on July 21, 1995. The top of the perforations is at 13,107 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 East Morton-Morrow Gas Pool. Said East Morton-Morrow Gas Pool was discovered by the Great Western Drilling Company Glenn Cleveland Well No. 1 located in Unit O of Section 7, Township 15 South, Range 35 East, NMPM. It was completed in the Morrow formation on May 25, 1995. The top of the perforations is at 12,916 feet.

(7) 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 Nadine-San Andres Pool. Said Nadine-San Andres Pool was discovered by the Drum Energy Corporation Frances Evelyn Well No. 1 located in Unit N of Section 35, Township 19 South, Range 38 East, NMPM. It was completed in the San Andres formation on February 5, 1995. The top of the perforations is at 4,317 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Yates formation, said pool to bear the designation of West San Simon-Yates Pool. Said West San Simon-Yates Pool was discovered by the Stevens & Tull Inc. New Mexico DW State Well No. 3 located in Unit D of Section 6, Township 22 South, Range 35 East, NMPM. It was completed in the Yates formation on June 15, 1995. The top of the perforations is at 3,738 feet.

(9) There is need for the creation of a new pool in Lea

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County, New Mexico, for the production of oil from the Atoka formation, said pool to bear the designation of Shipp-Atoka Pool. Said Shipp-Atoka Pool was discovered by the Mallon Oil Company Simmons Estate Well No. 1 located in Unit N of Section 3, Township 17 South, Range 37 East, NMPM. It was completed in the Atoka formation on April 22, 1995. The top of the perforations is at 11,602 feet.

(10) 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 West Teas-Bone Spring Pool. Said West Teas-Bone Spring Pool was discovered by the Snyder Ranch, Inc. Anasazi 16 State Well No. 1 located in Unit G of Section 16, Township 20 South, Range 33 East, NMPM. It was completed in the Bone Spring formation on November 6, 1994. The top of the perforations is at 9,306 feet.

(11) There is need for the extension of the North Eidson-Morrow Gas Pool, the East EK-Queen Pool, the South Humble City-Strawn Pool, the King-Wolfcamp Pool, the Northeast Lea-Delaware Pool, the East Livingston Ridge-Delaware Pool, the Red Hills-Bone Spring Pool, the Red Tank-Bone Spring Pool, the East Red Tank-Bone Spring Pool, the South Sand Dunes-Bone Spring Pool, the North Teague-Tubb Associated Pool, the North Vacuum Atoka-Morrow Gas Pool, and the Weir-Blinebry 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 Atoka production is hereby created and designated as the Dean-Atoka Pool, consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM
Section 35: 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 Draper Mill-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 15: NE/4

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

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TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 36: NW/4

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

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 33: NW/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 East Morton-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 7: E/2

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 35: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 6: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 3: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 16: NE/4

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

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 26: N/2 and SW/4
Section 27: S/2

(k) 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: SE/4

(l) The South Humble City-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 14: SW/4

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

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM
Section 24: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 3: NW/4
Section 4: N/2

(o) 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 9: NE/4

(p) 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: SW/4

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(q) The Red Tank-Bone Spring 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 13: SW/4
Section 24: NW/4
Section 25: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 30: SW/4

(s) 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 19: SW/4

(t) 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 4: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 31: E/2

(v) The Weir-Blinebry 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 9: SW/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

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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 November 1, 1995.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', written over the printed name and title.

WILLIAM J. LEMAY
Director

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