

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. 11828
Order No. R-10855

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN
POOLS IN CHAVES AND EDDY COUNTIES, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 7, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 11th day of August, 1997, 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 Delaware formation, said pool to bear the designation of North Cottonwood Draw-Delaware Pool. Said North Cottonwood Draw-Delaware Pool was discovered by the Chevron U.S.A., Inc. Cable "26" Well No. 1 located in Unit D of Section 26, Township 25 South, Range 26 East, NMPM. It was completed in the Delaware formation on June 10, 1997. The top of the perforations is at 2,928 feet.
- (3) 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 Maroon Cliffs-Bone Spring Pool. Said Maroon Cliffs-Bone Spring Pool was discovered

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by the Bass Enterprises Production Company Big Eddy Unit Well No. 8 located in Unit C of Section 30, Township 20 South, Range 31 East, NMPM. It was completed in the Bone Spring formation on May 27, 1997. The top of the perforations is at 8,342 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Northwest Pierce Crossing-Wolfcamp Gas Pool. Said Northwest Pierce Crossing-Wolfcamp Gas Pool was discovered by the Santa Fe Energy Resources, Inc. Craft Well No. 1 located in Unit E of Section 13, Township 24 South, Range 28 East, NMPM. It was completed in the Wolfcamp formation on May 1, 1997. The top of the perforations is at 10,828 feet.

(5) There is need for certain extensions to the Cedar Canyon-Delaware Pool, the Ingle Wells-Delaware Pool, the Poker Lake-Delaware Pool, the Turkey Track-Atoka Gas Pool, and the White City-Delaware Pool, all in Eddy County, New Mexico, and the Coyote-Queen Pool in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

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

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

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM
Section 30: NW/4

(c) A new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production is hereby created and designated as the Northwest Pierce Crossing-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 13: NW/4

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

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TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 27: NW/4

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

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM

Section 12: N/2

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 11: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 17: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 16: E/2

Section 21: E/2

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

TOWNSHIP 25 SOUTH, RANGE 25 EAST, NMPM

Section 10: NE/4

Section 11: N/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

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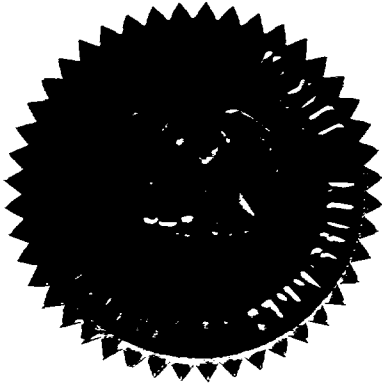
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C-102 dedicating a standard unit for the pool to said well or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that 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 September 1, 1927.

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



SEAL

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

fd/

