

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. 11918
Order No. R-10951

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 22, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of February, 1998, 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 Wolfcamp formation, said pool to bear the designation of Anderson-Wolfcamp Pool. Said Anderson-Wolfcamp Pool was discovered by the Mack Energy Corporation White Oak State Well No. 1 located in Unit P of Section 23, Township 17 South, Range 28 East, NMPM. It was completed in the Wolfcamp formation on October 22, 1997. The top of the perforations is at 6,937 feet.
- (3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of East Cedar Lake-Abo Pool. Said East Cedar Lake-Abo Pool was discovered by the Texaco Exploration & Production, Inc. Skelly Unit Well No. 903 located in Unit P of Section 22,

Case No. 11918
Order No. R-10951

-2-

Township 17 South, Range 31 East, NMPM. It was completed in the Abo formation on May 3, 1997. The top of the perforations is at 7,308 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of East Dagger Draw-Strawn Gas Pool. Said East Dagger Draw-Strawn Gas Pool was discovered by the Nearburg Production Company Anderson Com Well No. 1 located in Unit B of Section 10, Township 20 South, Range 25 East, NMPM. It was completed in the Strawn formation on October 31, 1997. The top of the perforations is at 8,398 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Southeast Hackberry-Morrow Gas Pool. Said Southeast Hackberry-Morrow Gas Pool was discovered by the Bass Enterprises Production Company Big Eddy Unit Well No. 122 located in Unit F of Section 4, Township 20 South, Range 31 East, NMPM. It was completed in the Morrow formation on April 15, 1997. The top of the perforations is at 12,440 feet.

(6) There is need for certain extensions to the Southeast Big Sinks-Delaware Pool, the East Empire-Yeso Pool, the Fren-Morrow Gas Pool, the Grayburg-Morrow Gas Pool, the Indian Draw-Delaware Pool, the Loco Hills-Paddock Pool, the West Lost Tank-Delaware Pool, the East Millman-Yates-Seven Rivers-Queen-Grayburg-San Andres Pool, the West Parkway-Morrow Gas Pool, the Northwest Poker Lake-Delaware Pool, and the Red Lake-Queen-Grayburg-San Andres Pool, all in Eddy County, New Mexico.

(7) The effective date of this order and all creations and extensions included herein should be February 1, 1998.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 23: E/2

Section 24: All

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

Case No. 11918
Order No. R-10951
-3-

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 22: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 10: N/2

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

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM
Section 4: N/2

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

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
Section 10: E/2
Section 11: W/2
Section 14: NW/4
Section 15: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 22: S/2

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

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 10: All
Section 11: N/2

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

Case No. 11918
Order No. R-10951

-4-

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 14: E/2

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM

Section 20: N/2

(j) The Loco Hills-Paddock Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 20: NE/4

Section 21: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 3: NW/4

Section 4: NE/4

(l) The East Millman-Yates-Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 24: SE/4, S/2 NE/4, and NE/4 NE/4

(m) The West Parkway-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 32: E/2

(n) The Northwest 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 30 EAST, NMPM

Section 13: W/2

Case No. 11918
Order No. R-10951
-5-

(o) The Red Lake-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 27: All

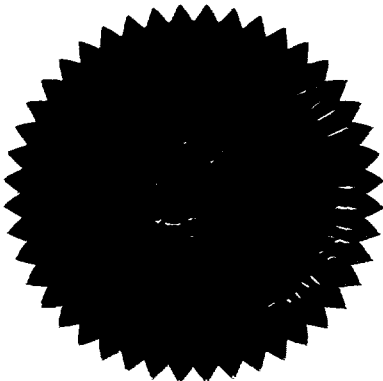
TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 17: N/2

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 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 February 1, 1998.

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



SEAL
fd/

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

KATHLEEN A. GARLAND
Acting Director