



STATE OF NEW MEXICO  
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
 OIL CONSERVATION DIVISION

BRUCE KING  
 GOVERNOR

August 28, 1991

POST OFFICE BOX 2088  
 STATE LAND OFFICE BUILDING  
 SANTA FE, NEW MEXICO 87504  
 (505) 827-5800

Mr. Ernest Carroll  
 Losee, Carson, Haas & Carroll  
 Attorneys at Law  
 Post Office Drawer 239  
 Artesia, New Mexico 88211-0239

Re: CASE NO. 10327  
 ORDER NO. R-9568

Applicant:  
Yates Petroleum Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

*Florene Davidson*

FLORENE DAVIDSON  
 OC Staff Specialist

Copy of order also sent to:

Hobbs OCD       x        
 Artesia OCD       x        
 Aztec OCD                   

Other William F. Carr

---



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. 10115  
ORDER NO. R-9354

APPLICATION OF MARATHON OIL COMPANY  
FOR THE ASSIGNMENT OF A SPECIAL DEPTH  
BRACKET ALLOWABLE, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 31, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of November, 1990 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) The applicant, Marathon Oil Company, is the operator of 10 producing wells in the Tamano-Bone Spring Pool which comprises all or portions of Sections 2, 11, 12, 14, 23 and 24, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (3) The applicant seeks the assignment of a special depth bracket allowable, pursuant to General Rule 505(d), of 460 barrels of oil per day to replace the current depth bracket allowable for said pool of 230 barrels of oil per day.
- (4) Presently, there are wells completed in the Tamano-Bone Spring Pool that are capable of producing in excess of the current depth bracket allowable.

(5) The evidence presently available indicates that an increased rate of production from wells in said pool will not result in damage to the reservoir nor have an adverse effect on the ultimate recovery from the pool but should instead be improved thereby.

(6) Approval of the subject application should serve to prevent waste and will not violate correlative rights.

(7) The subject application should be approved.

**IT IS THEREFORE ORDERED THAT:**

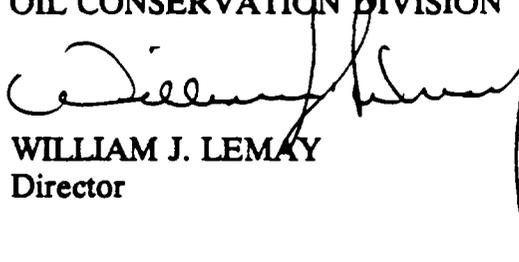
(1) Effective November 1, 1990, a special depth bracket allowable of 460 barrels of oil per day is hereby established for the Tamano-Bone Spring Pool, Eddy County, New Mexico.

(2) The Division Director may, at any time it appears that reservoir damage is apparent or other evidence of waste occurring, rescind the provisions of the order and cause the top unit allowable for the Tamano-Bone Spring Pool to revert back to 230 barrels of oil per day.

(3) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L

*Example*

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. 10115  
ORDER NO. R-9354

APPLICATION OF MARATHON OIL COMPANY  
FOR THE ASSIGNMENT OF A SPECIAL DEPTH  
BRACKET ALLOWABLE, EDDY COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 31, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of November, 1990 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) The applicant, Marathon Oil Company, is the operator of 10 producing wells in the Tamano-Bone Spring Pool which comprises all or portions of Sections 2, 11, 12, 14, 23 and 24, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (3) The applicant seeks the assignment of a special depth bracket allowable, pursuant to General Rule 505(d), of 460 barrels of oil per day to replace the current depth bracket allowable for said pool of 230 barrels of oil per day.
- (4) Presently, there are wells completed in the Tamano-Bone Spring Pool that are capable of producing in excess of the current depth bracket allowable.

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. 10327  
ORDER NO. R- \_\_\_\_\_

APPLICATION OF YATES PETROLEUM CORPORATION  
FOR POOL EXTENSION AND THE ASSIGNMENT OF A  
SPECIAL DEPTH BRACKET OIL ALLOWABLE, EDDY  
COUNTY, NEW MEXICO

**DRAFT**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 13, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this \_\_\_\_\_ day of June, 1991 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) The applicant, Yates Petroleum Corporation, seeks to extend the horizontal limits of the Los Medanos-Delaware Pool to include the S/2 of Section 9, the N/2 and SE/4 of Section 16, and the N/2 of Section 21, all in Township 23 South, Range 31 East.

(3) Further, the applicant seeks a special depth bracket allowable, pursuant to Division (General) Rule 505(d), for said pool whereby the allowable would be based on the deepest perforation (rather than the shallowest as provided for in General Rule 505(a)) in its Medano "VA" State Well No. 1 located in Unit K of said Section 16.

*Case No. \**  
*Order No. R-\**  
*Page No. 2*

**IT IS THEREFORE ORDERED THAT:**

(1) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

S E A L

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. 10278  
Order No. R-9473

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER CREATING, ASSIGNING A DISCOVERY  
ALLOWABLE, 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 March 21, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of March, 1991, 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 gas from the Cisco and Canyon formations, said pool to bear the designation of West Dagger Draw-Upper Pennsylvanian Gas Pool. Said West Dagger Draw-Upper Pennsylvanian Gas Pool was discovered by the Yates Petroleum Corporation Agave AAJ State Well No. 2 located in Unit K of Section 32, Township 19 South, Range 24 East, NMPM. It was completed in the Cisco and Canyon formations on January 16, 1991. The top of the perforations is at 6,307 feet.

(3) 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 West Dagger Draw-Wolfcamp Gas Pool. Said West Dagger Draw-Wolfcamp Gas Pool was discovered by the Yates Petroleum Corporation Alexandre AHX Federal Well No. 1 located in Unit C of Section 33, Township 19 South, Range 24 East, NMPM. It was completed in the Wolfcamp formation on January 17, 1991. The top of the perforations is at 6,076 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Hart Draw-Atoka Gas Pool. Said Hart Draw-Atoka Gas Pool was discovered by the Mewbourne Oil Company Federal R Well No. 1 located in Unit M of Section 17, Township 17 South, Range 27 East, NMPM. It was completed in the Atoka formation on June 23, 1990. The top of the perforations is at 8,626 feet.

(5) 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 Los Medanos-Delaware Pool. Further, the discovery well for said Los Medanos-Delaware Pool, the Yates Petroleum Corporation Medano VA State Well No. 1 located in Unit K of Section 16, Township 23 South, Range 31 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 21,090 barrels of oil to be assigned over a two-year period. Said discovery well was completed in the Delaware formation on October 30, 1990. The top of the perforations is at 4,218 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Palmillo Draw-Atoka Gas Pool. Said Palmillo Draw-Atoka Gas Pool was discovered by the Chevron USA Inc. Artesia State Com. Well No. 3 located in Unit F of Section 23, Township 18 South, Range 28 East, NMPM. It was completed in the Atoka formation on October 31, 1990. The top of the perforations is at 10,297 feet.

(7) 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 Palmillo Draw-Strawn Gas Pool. Said Palmillo Draw-Strawn Gas Pool was discovered by the Hondo Drilling

Company Alscott Federal Well No. 1 located in Unit G of Section 31, Township 18 South, Range 29 East, NMPM. It was completed in the Strawn formation on February 12, 1990. The top of the perforations is at 10,170 feet.

(8) 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 Russell-Bone Spring Pool. Said Russell-Bone Spring Pool was discovered by the Siete Oil and Gas Corporation Indigo Federal Well No. 1 located in Unit L of Section 13, Township 20 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on November 30, 1990. The top of the perforations is at 7,097 feet.

(9) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Delaware formation, said pool to bear the designation of Serpentine Bends-Delaware Gas Pool. Said Serpentine Bends-Delaware Gas Pool was discovered by the Yates Energy Corporation Sidewinder Well No. 1 located in Unit F of Section 20, Township 24 South, Range 24 East, NMPM. It was completed in the Delaware formation on August 10, 1990. The top of the perforations is at 2,923 feet.

(10) There is need for certain extensions to the Elkins-San Andres Gas Pool in Chaves County, New Mexico, and the Bandana Point-Strawn Gas Pool, the Burton-Delaware Pool, the North Burton Flat-Atoka Gas Pool, the East Burton Flat-Strawn Gas Pool, the Cabin Lake-Delaware Pool, the East Catclaw Draw-Delaware Pool, the South Dagger Draw-Upper Pennsylvanian Associated Pool, the Frontier Hills-Strawn Gas Pool, the East Loving-Delaware Pool, the Millman-Grayburg Pool, the Parkway-Bone Spring Pool, the Parkway-Delaware Pool, the Pierce Crossing-Bone Spring Pool, the Red Lake Atoka-Morrow Gas Pool, the West Sand Dunes-Morrow Gas Pool, and the Tamano-Bone Spring Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico, classified as a gas pool for Cisco/Canyon production is hereby created and designated as the West Dagger Draw-Upper Pennsylvanian Gas Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 32: S/2

Section 33: All

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 33: N/2

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

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

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM  
Section 16: SW/4

Further, the discovery well for said Los Medanos-Delaware Pool, the Yates Petroleum Corporation Medano VA State Well No. 1 located in Unit K of Section 16, Township 23 South, Range 31 East, NMPM, is hereby assigned a bonus discovery allowable of 21,090 barrels of oil to be produced over a two-year period.

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

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 23: N/2

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 31: N/2

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 13: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM  
Section 20: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 23 EAST, NMPM  
Section 27: W/2

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 18: SE/4

(k) The North Burton Flat-Atoka Gas 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 22: N/2

(l) The East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 22: N/2

(m) The Cabin Lake-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described,

is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM  
Section 2: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 8: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 12: S/2

(p) The Elkins-San Andres Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM  
Section 25: SW/4

(q) The Frontier Hills-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 21: W/2

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 13: SW/4  
Section 22: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 24: NE/4

(t) The Parkway-Bone Spring 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 34: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 2: NE/4

(v) The Pierce Crossing-Bone Spring 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 19: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 21: N/2

(x) The West Sand Dunes-Morrow Gas 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 16: W/2

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

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 10: NE/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

-8-

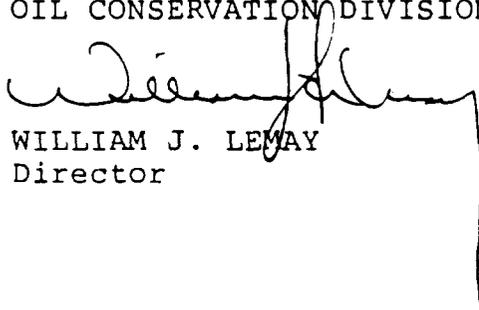
Case No. 10278  
Order No. R-9473

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, assignments of discovery allowable, and extensions included herein shall be April 1, 1991.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



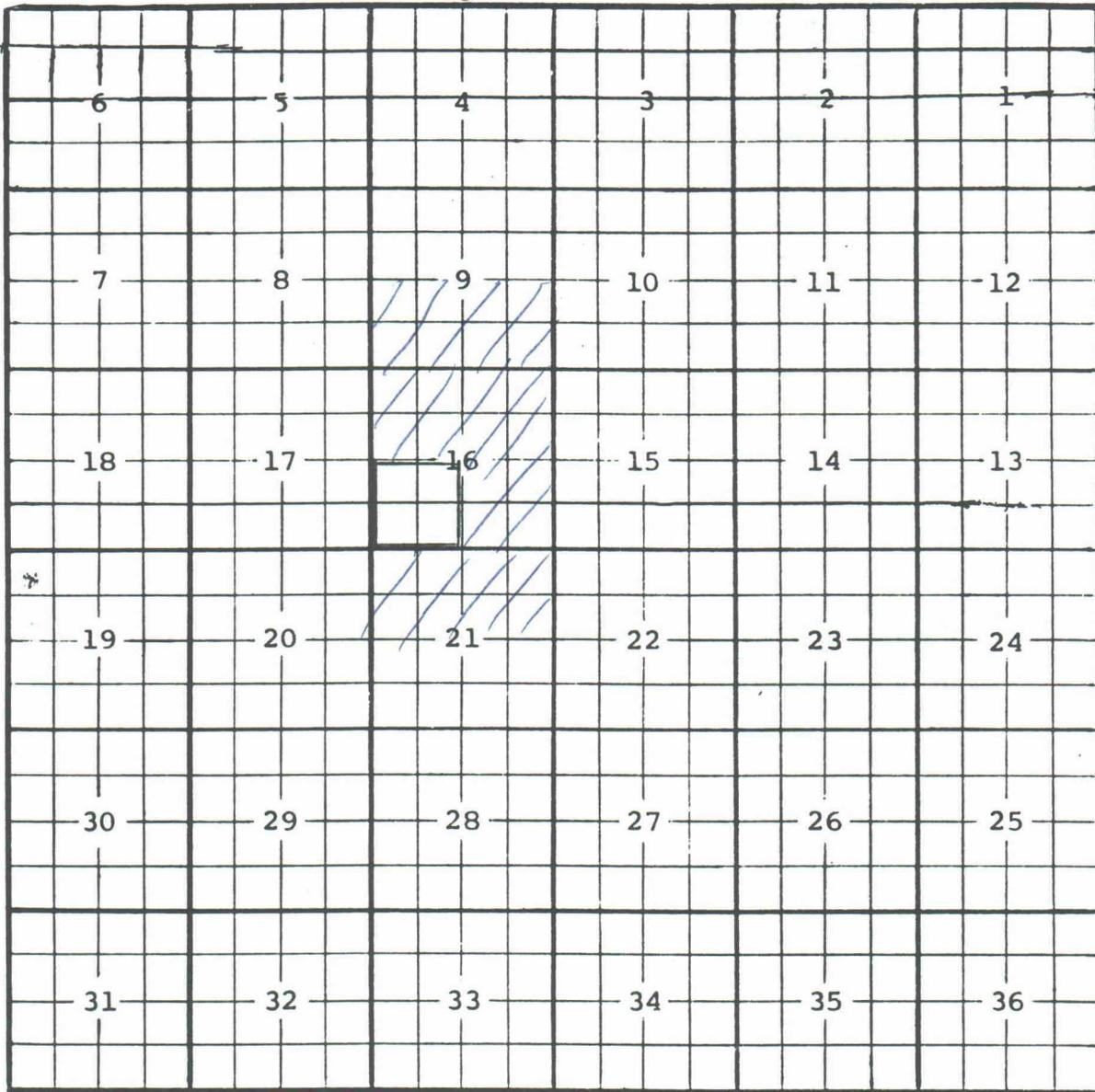
WILLIAM J. LEMAY  
Director

S E A L

fd/

County EDDY Pool LOS MEDANOS - DELAWARE

TOWNSHIP 23 SOUTH Range 31 EAST NMPM



DESC: SW/4 SEC 16 (R-9473, 4-1-91)

DRAFT

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:

*7/15 8/14/91*  
*JHM 8-16-91*  
*DC 8/17/91*      *LS 8/19/91*  
CASE NO. 10327  
ORDER NO. R-9568      *WJS 8/21/91*  
*MS 8/26/91*

APPLICATION OF YATES PETROLEUM CORPORATION  
FOR POOL EXTENSION AND THE ASSIGNMENT OF A  
SPECIAL DEPTH BRACKET OIL ALLOWABLE, EDDY  
COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 13, and June 27, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this \_\_\_\_\_ day of August, 1991 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) The applicant, Yates Petroleum Corporation, seeks to extend the horizontal limits of the Los Medanos-Delaware Pool to include the S/2 of Section 9, the N/2 and SE/4 of Section 16, and the N/2 of Section 21, all in Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) Further, the applicant seeks a special depth bracket allowable, pursuant to Division (General) Rule 505(d), for said pool whereby the allowable would be based on the deepest perforation (rather than the shallowest as provided for in General Rule 505(a)) in ~~said~~ Medano "VA" State Well No. 1.

(4) By Division Order No. R-9473, dated March 28, 1991 and made effective April 1, 1991, the Division created and defined the Los Medanos-Delaware Pool for the production of oil from the Delaware, with its horizontal limits comprising the SW/4 of Section 16, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico. The discovery well for this pool was Yates Petroleum Corporation's Medano "VA" State Well No. 1 located in the NE/4 SW/4 (Unit K) of said Section 16 which was completed in the Delaware formation on October 30, 1990 through the following perforated intervals (shown in feet):

Bell Canyon Interval	Brushy Canyon Interval
4218 - 4226	7825 - 7828
4229 - 4237	7838 - 7844
	7846 - 7856

*As requested by the applicant*  
(5) Pursuant to Division General Rule 505.A. the pool's assigned depth bracket allowable would be increased from its present 80 barrels of oil per day to 187 barrels of oil per day per 40-acre oil spacing and proration unit.

(6) The applicant has recently completed a second well, its Medano "VA" State Well No. 3 located 2310 feet from the North line and 1650 feet from the West line (Unit F) of said Section 16, in the same corresponding intervals as the discovery well.

(7) Geological and engineering evidence indicate that neither productive interval within the pool dominates the other and at this time there appear to be no adverse effects in producing both zones together.

*↳ within the Delaware formation*  
(8) Both wells are capable of producing in excess of the current 80-barrel depth bracket allowable. *↳ in sand pool*

(9) The evidence presently available indicates that an increased rate of production from said pool will not result in damage to the reservoir nor have an adverse effect on the ultimate recovery from the pool but should instead be improved thereby.

*→*  
(10) Approval of the applicant's request for an increased oil allowable should serve to prevent waste and will not violate correlative rights.

*Wobol, [unclear]*

(11) Division General Rule 104.A provides that wells drilled within one mile of a designated pool will be subject to the rules governing that pool; therefore, since any wells drilled to the Delaware formation within the area requested for expansion are within one mile of the horizontal limits of said pool, such request is premature and unnecessary. Further, any future expansion should be made under the normal nomenclature process through the Artesia District Office of the Division.

**IT IS THEREFORE ORDERED THAT:**

(1) Effective September 1, 1991, a special depth bracket allowable of 187 barrels of oil per day is hereby established for the Los Medanos-Delaware Pool, Eddy County, New Mexico.

(2) The Division Director may, at any time it appears that reservoir damage is apparent or other evidence of waste occurring, rescind the provision of the order and cause the top unit allowable for the Los Medanos-Delaware Pool to revert back to 80 barrels of oil per day.

(3) The applicant's request to extend the horizontal limits of said pool to include the S/2 of Section 9, the N/2 and SE/4 of Section 16 and the N/2 of Section 21, all in Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico is hereby denied *of this*

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary. *found.*

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

S E A L