

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. 10408
Order No. R-9609

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 October 31, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of November, 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 oil from the Canyon formation, said pool to bear the designation of Parkway-Upper Pennsylvanian Pool. Said Parkway-Upper Pennsylvanian Pool was discovered by the Yates Petroleum Corporation Wayfarer AIV State Well No. 1 located in Unit P of Section 25, Township 19 South, Range 29 East, NMPM. It was completed in the Canyon formation on June 23, 1991. The top of the perforations is at 10,387 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 North Ross Ranch-Wolfcamp Gas Pool. Said North Ross Ranch-Wolfcamp Gas Pool was discovered by the M. Brad Bennett Inc. Big Sinks Federal Com. Well No. 1 located in Unit B of Section

35, Township 25 South, Range 31 East, NMPM. It was completed in the Wolfcamp formation on June 9, 1991. The top of the perforations is at 13,140 feet.

(4) 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 Russell-Delaware Pool. Said Russell-Delaware 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 Delaware formation on February 4, 1991. The top of the perforations is at 5,009 feet.

(5) There is need for certain extensions to the East Chisum-San Andres Pool and the Diablo-San Andres Pool, both in Chaves County, New Mexico, and the East Burton Flat-Atoka Gas Pool, the West Burton Flat-Atoka Gas Pool, the East Burton Flat-Strawn Gas Pool, the South Carlsbad-Morrow Gas Pool, the East Catclaw Draw-Delaware Pool, the East Hess-Morrow Gas Pool, the Livingston Ridge-Delaware Pool, the East Loving-Delaware Pool, the Mosley Canyon-Strawn Gas Pool, the Old Millman Ranch-Bone Spring Pool, the Rustler Bluff-Morrow Gas Pool, and the West Sand Dunes-Atoka Gas Pool, all in Eddy County, New Mexico.

(6) The effective date of this order and all creations and extensions included herein should be November 1, 1991.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 25: SE/4

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

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM
Section 35: N/2

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

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

(d) The East 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 29 EAST, NMPM
Section 21: S/2
Section 28: E/2

(e) The West 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 32: W/2

(f) 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 12: E/2

(g) The South Carlsbad-Morrow Gas 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 34: W/2

(h) 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 9: NE/4

(i) The Cedar Lake-Strawn 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 2: NW/4

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

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM
Section 15: NW/4

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

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 34: N/2 and SE/4

(l) The East Hess-Morrow 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: E/2

(m) The Livingston Ridge-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 12: SW/4
Section 26: NW/4

(n) 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 2: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 2: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM
Section 17: S/2

(q) The Old Millman Ranch-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 5: SE/4
Section 8: NE/4

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

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 8: N/2

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

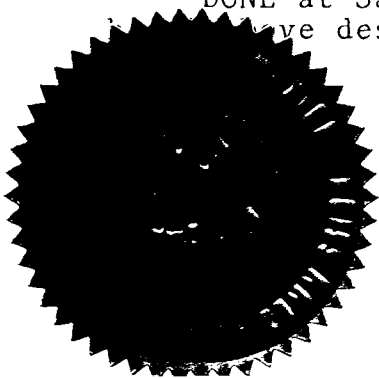
TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 8: S/2

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 November 1, 1991.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

William J. Lemay
WILLIAM J. LEMAY
Director