

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. 10561
Order No. R-9723

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 17, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 25th day of September, 1992, 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 dismissal of the proposed creation of the East Big Dog-Strawn Pool in Lea County, New Mexico, since said pool has already been created by Division Order No. R-9722.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of East Caprock-Mississippian Gas Pool. Said East Caprock-Mississippian Gas Pool was discovered by the WOG Inc. State Well No. 1 located in Unit A of Section 11, Township 11 South, Range 32 East, NMPM. It was completed in the Atoka formation on April 29, 1992. The top of the perforations is at 10,558 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Grayburg formation, said pool to bear the designation of Lone Ranger-Grayburg Pool. Said Lone Ranger-Grayburg Pool was discovered by the Pogo Producing Company Buffalo Federal Well No. 1 located in Unit B of Section 11, Township 19 South,

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Range 33 East, NMPM. It was completed in the Grayburg formation on July 1, 1992. The top of the perforations is at 4,935 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Rattlesnake Flat-Delaware Pool. Said Rattlesnake Flat-Delaware Pool was discovered by the Yates Petroleum Corporation Arapaho AKP Federal Well No. 1 located in Unit O of Section 29, Township 26 South, Range 33 East, NMPM. It was completed in the Delaware formation on April 28, 1992. The top of the perforations is at 4,820 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of West Triste Draw-Delaware Pool. Said West Triste Draw-Delaware Pool was discovered by the Harvard Petroleum Corporation State IG Well No. 1 located in Unit B of Section 32, Township 23 South, Range 32 East, NMPM. It was completed in the Delaware formation on April 8, 1992. The top of the perforations is at 7,992 feet.

(7) There is need for certain extensions of the North Airstrip-Bone Spring Pool, the North Anderson Ranch-Wolfcamp Pool, the ARAB-C-San Andres Pool, the Bilbrey-Morrow Gas Pool, the Buffalo-Queen Pool, the Buffalo-Yates Pool, the Corbin-Bone Spring Pool, the South Corbin-Wolfcamp Pool, the East Livingston Ridge-Delaware Pool, the East Lusk-Wolfcamp Pool, the Querecho Plains-Delaware Pool, the Red Hills-Wolfcamp Gas Pool, the Rhodes Yates-Seven Rivers Gas Pool, the Teague-Blinebry Pool, the Teas-Bone Spring Pool, the Tonto-Bone Spring Pool, and the North Tulk-Wolfcamp Pool, all in Lea County, New Mexico, and the Lost Tank-Delaware Pool in Eddy and Lea Counties, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) The creation of a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production to be designated as the East Big Dog-Strawn Pool, is hereby dismissed.

(b) A new pool in Lea County, New Mexico, classified as a gas pool for Atoka production is hereby created and designated as the East Caprock-Mississippian Gas Pool, consisting of the following described area:

TOWNSHIP 11 SOUTH, RANGE 32 EAST, NMPM
Section 11: N/2

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 11: NE/4

(d) A new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Rattlesnake Flat-Delaware Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM
Section 29: SE/4

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 29: S/2
Section 32: NE/4

(f) The North Airstrip-Bone Spring 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 23: NE/4

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

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 15: W/2
Section 16: SE/4

(h) The ARAB-C-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 5: Lots 9, 10, 15 and 16

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

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TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 33: S/2

Section 34: S/2

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 32: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 2: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 7: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 16: NE/4

Section 29: SE/4

(n) 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 15: NW/4

Section 16: NE/4

Section 22: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 19: SW/4

Section 30: NW/4

(p) The East Lusk-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is

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hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 1: NW/4

Section 2: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 24: SW/4

(r) The Red Hills-Wolfcamp Gas 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 21: All

(s) The Rhodes Yates-Seven Rivers Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 5: SW/4

Section 6: SE/4

(t) The Teague-Blinebry 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 34: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 13: S/2

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 9: SE/4

Section 15: W/2

Section 16: NE/4

(w) The North Tulk-Wolfcamp Pool in Lea County, New

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Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

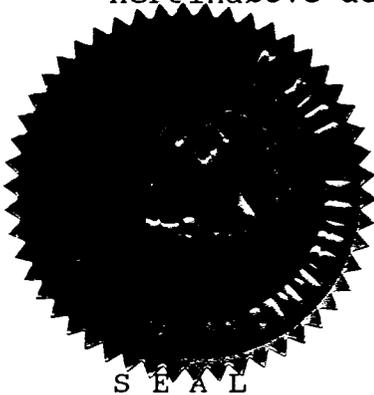
TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
Section 20: SE/4
Section 28: E/2 and NW/4
Section 29: NE/4

IT IS FURTHER ORDERED THAT:

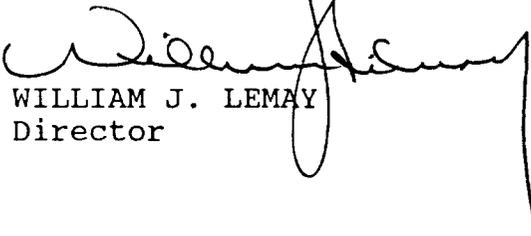
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective 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 October 1, 1992.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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