

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

CASE NO. 10612
ORDER NO. R-9792

THE APPLICATION OF THE OIL CONSERVATION
DIVISION OF THE ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT UPON ITS
OWN MOTION FOR AN ORDER FOR THE CREATION
OF POOLS IN LEA AND ROOSEVELT COUNTIES,
NEW MEXICO

This cause came on for hearing at 8:15 A.M. November 19, 1992, at Santa Fe, New Mexico, before Michael E. Stogner.

NOW, on this _____ day of November, 1992, the Division Director having considered the testimony, the record, the recommendations of the Examiner, and being fully advised in the premises:

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of the cause and subject matter thereof.

(2) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation. Said pool to bear the designation of South Allison-San Andres Pool. Said South Allison-San Andres Pool was discovered by the Layton Enterprises Inc. El Zorro C Federal Well No. 2 located in Unit A of Section 11, Township 9 South, Range 36 East, NMPM. It was completed June 22, 1992, in the San Andres formation. The top of the perforations is at 4,868 feet.

(3) That 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 Dagger Lake-Delaware Pool. Said Dagger Lake-Delaware Pool was discovered by the Meridian Oil Inc. Dagger Lake State Well No. 1 located in Unit O of Section 5, Township 22 South, Range 33 East, NMPM. It was completed September 2, 1992, in the Delaware formation. The top of the perforations is at 4,951 feet.

(4) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation. Said pool to bear the designation of Southeast Lane-Abo Pool. Said Southeast Lane-Abo Pool was discovered by the Purvis Oil Corporation State 15 Well No. 1 located in Unit F of Section 15, Township 10 South, Range 34 East, NMPM. It was completed September 15, 1992, in the Abo formation. The top of the perforations is at 9,014 feet.

(5) That 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 Southeast Livingston Ridge-Delaware Pool. Said Southeast Livingston Ridge-Delaware Pool was discovered by the Yates Petroleum Corporation Lotus ALT State Well No. 2 located in Unit G of Section 32, Township 22 South, Range 32 East, NMPM. It was completed October 19, 1992, in the Delaware formation. The top of the perforations is at 8,326 feet.

(6) That 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 North Lusk-Delaware Pool. Said North Lusk-Delaware Pool was discovered by the Oryx Energy Company Jennings A Federal Well No 4 located in Unit J of Section 15, Township 19 South, Range 32 East, NMPM. It was completed December 17, 1991, in the Delaware formation. The top of the perforations is at 6,521 feet.

(7) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Bone Spring formation. Said pool to bear the designation of Red Hills-Bone Spring Pool. Said Red Hills-Bone Spring Pool was discovered by the Enron Oil & Gas Company Vaca 13 Federal Well No. 1 located in Unit C of Section 13, Township 25 South, Range 33 East, NMPM. It was completed August 12, 1992, in the Bone Spring formation. The top of the perforations is at 12,230 feet.

(8) That 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 South Red Tank-Delaware Pool. Said South Red Tank-Delaware Pool was discovered by the C. W. Trainer Shell State Well No. 1 located in Unit C of Section 36, Township 22 South, Range 32 East, NMPM. It was completed October 3, 1991, in the Delaware formation. The top of the perforations is at 5,012 feet.

(9) That 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 Red Tank-Delaware Pool. Said West Red Tank-Delaware Pool was discovered by the Pogo Producing Company Federal 27 Well No. 1 located in Unit N of Section 27, Township 22 South, Range 32 East, NMPM. It was completed July 13, 1992, in the Delaware formation. The top of the perforations is at 8,330 feet.

(10) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation. Said pool to bear the designation of Northwest Teague-Devonian Pool. Said Northwest Teague-Devonian Pool was discovered by the Texaco Exploration & Production Inc. R. R. Sims Well No. 2 located in Unit N of Section 4, Township 23 South, Range 37 East, NMPM. It was completed July 22, 1992, in the Devonian formation. The top of the perforations is at 7,508 feet.

(11) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation. Said pool to bear the designation of West Teas-Morrow Gas Pool. Said West Teas-Morrow Gas Pool was discovered by the Mitchell Energy Corporation Anasazi 9 Federal Well No. 1 located in Unit G of Section 9, Township 20 South, Range 33 East, NMPM. It was completed July 16, 1992, in the Morrow formation. The top of the perforations is at 13,289 feet.

(12) That there is need for the creation of a new pool in Roosevelt County, New Mexico, for the production of gas from the San Andres formation. Said pool to bear the designation of Tule-San Andres Gas Pool. Said Tule-San Andres Gas Pool was discovered by the Marshall Pipe & Supply Company Stoltenberg Well No. 1 located in Unit F of Section 26, Township 2 South, Range 29 East, NMPM. It was completed October 2, 1992, in the San Andres formation. The top of the perforations is at 2,920 feet.

(h) That a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the West Red Tank-Delaware Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 27: SW/4

(i) That a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production is hereby created and designated as the Northwest Teague-Devonian Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 4: SW/4

(j) That a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production is hereby created and designated as the West Teas-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 9: N/2
Roosevelt

(k) That a new pool in ~~Lea~~ County, New Mexico, classified as a gas pool for San Andres production is hereby created and designated as the Tule-San Andres Gas Pool, consisting of the following described area:

TOWNSHIP 2 SOUTH, RANGE 29 EAST, NMPM
Section 26: NW/4

IT IS FURTHER ORDERED:

(1) That pursuant to Section 70-2-18, contained in Chapter 271, Laws of 1969, any well which by virtue of any of the 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 a new Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum 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, shall subject the well to cancellation of the allowable.

(2) The effective date of this order and all creations shall be December 1, 1992.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
DIRECTOR

- (p) CONTRACT the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 5: All

- (q) CONTRACT the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 5: W/2

Section 6: E/2

Section 8: E/2

CASE 10612: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating certain pools in Lea and Roosevelt Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the South Allison-San Andres Pool. The discovery well is the Layton Enterprises Inc. El Zorro C Federal Well No. 2 located in Unit A of Section 11, Township 9 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM

Section 11: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Dagger Lake-Delaware Pool. The discovery well is the Meridian Oil Inc. Dagger Lake State Well No. 1 located in Unit O of Section 5, Township 22 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM

Section 5: SE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Southeast Lane-Abo Pool. The discovery well is the Purvis Oil Corporation State 15 Well No. 1 located in Unit F of Section 15, Township 10 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 15: NW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Southeast Livingston Ridge-Delaware Pool. The discovery well is the Yates Petroleum Corporation Lotus ALT State Well No. 2 located in Unit G of Section 32, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 32: NE/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the North Lusk-Delaware Pool. The discovery well is the Oryx Energy Company Jennings A Federal Well No. 4 located in Unit J of Section 15, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 15: SE/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Red Hills-Bone Spring Pool. The discovery well is the Enron Oil & Gas Company Vaca 13 Federal Well No. 1 located in Unit C of Section 13, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 13: NW/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the South Red Tank-Delaware Pool. The discovery well is the C. W. Trainer Shell State Well No. 1 located in Unit C of Section 36, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 36: NW/4

- (g) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 26: W/2

Sections 27 and 28: All

Sections 33 through 36: All

- (h) EXTEND the Counselors Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM

Section 32: S/2

Section 33: SW/4

- (i) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 25: SW/4

Section 36: NW/4

- (j) EXTEND the South San Luis-Mesaverde Oil Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 18 NORTH, RANGE 3 WEST, NMPM

Section 33: NE/4 NW/4

- (k) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 5: W/2

Section 6: E/2

Section 7: All

Section 8: All

Sections 16 through 21: All

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM

Section 1: S/2

Sections 2 and 3: All

Section 10: N/2

Sections 11 through 14: All

Section 15: E/2

Section 22: E/2

Sections 23 and 24: All

- (l) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 22: NW/4 SE/4, S/2 SE/4

Section 23: S/2

Section 26: N/2

Section 27: NE/4

- (m) EXTEND the Snake Eyes-Dakota "D" Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 21 NORTH, RANGE 8 WEST, NMPM

Section 8: SW/4

- (n) EXTEND the Verde-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM

Section 28: NE/4 SW/4, S/2 SW/4

- (o) CONTRACT the Basin-Dakota Pool in San Juan and Rio Arriba Counties, New Mexico, by the deletion of the following described area:

TOWNSHIP 21 NORTH, RANGE 8 WEST, NMPM

Section 8: SW/4