

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. 10726
Order No. R-9884

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 April 22, 1993, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 26th day of April, 1993, 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 Atoka formation, said pool to bear the designation of Bunting Ranch-Atoka Gas Pool. Said Bunting Ranch-Atoka Gas Pool was discovered by the Mitchell Energy Corporation State "36" Well No. 1 located in Unit B of Section 36, Township 19 South, Range 21 East, NMPM. It was completed in the Atoka formation on February 2, 1993. The top of the perforations is at 7,198 feet.

(3) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Diablo-Wolfcamp Gas Pool. Said Diablo-Wolfcamp Gas Pool was discovered by the Yates Petroleum Corporation Pathfinder AFT State Well No. 6 located in Unit F of Section 21, Township 10 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on January 18, 1993. The top of the perforations is at 5,573 feet.

(4) 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 Laguna Salado-Morrow Gas Pool. Said Laguna Salado-Morrow Gas Pool was discovered by the Amoco Production Company Teledyne 18 Well No. 1 located in Unit J of Section 18, Township 23 South, Range 29 East, NMPM. It was completed in the Morrow formation on January 22, 1993. The top of the perforations is at 12,816 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Cisco formation, said pool to bear the designation of Penasco-Cisco Gas Pool. Said Penasco-Cisco Gas Pool was discovered by the Yates Petroleum Corporation Federal AB Com Well No. 11 located in Unit F of Section 30, Township 18 South, Range 25 East, NMPM. It was completed in the Cisco formation on January 8, 1993. The top of the perforations is at 6,508 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of Red Lake-Strawn Pool. Said Red Lake-Strawn Pool was discovered by the Marbob Energy Corporation Scoggins Draw Federal Com Well No. 1 located in Unit F of Section 22, Township 18 South, Range 27 East, NMPM. It was completed in the Strawn formation on December 30, 1992. The top of the perforations is at 8,986 feet.

(7) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Mississippian formation, said pool to bear the designation of West White Ranch-Mississippian Gas Pool. Said West White Ranch-Mississippian Gas Pool was discovered by the C. W. Trainer West White Ranch Well No. 1 located in Unit A of Section 1, Township 12 South, Range 28 East, NMPM. It was completed in the Mississippian formation on December 18, 1992. The top of the perforations is at 7,753 feet.

(8) There is need for certain extensions to the West Atoka-Upper Pennsylvanian Gas Pool, the Brushy Draw-Delaware Pool, the East Burton Flat-Strawn Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the South Empire-Morrow Gas Pool, the East Herradura Bend-Delaware Pool, the Ingle Wells-Delaware Pool, the Los Medanos-Delaware Pool, the East Loving-Delaware Pool, the Old Millman Ranch-Bone Spring Pool, the South Sand Dunes-Delaware Pool, the West Sand Dunes-Delaware Pool, the North Shugart-Bone Spring Pool, the Turkey Track-Bone Spring Pool, and the Willow Lake-Delaware Pool, all in Eddy County, New Mexico, and the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 19 SOUTH, RANGE 21 EAST, NMPM
Section 36: N/2

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

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 21: N/2

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

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 18: S/2

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 30: N/2

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

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 22: W/2

(f) A new pool in Chaves County, New Mexico, classified as a gas pool for Mississippian production is hereby created and designated as the West White Ranch-Mississippian Gas Pool, consisting of the following described area:

TOWNSHIP 12 SOUTH, RANGE 28 EAST, NMPM
Section 1: E/2

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

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TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM

Section 11: N/2

Section 12: N/2

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

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM

Section 9: SE/4

Section 16: NE/4

(i) 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 19: NE/4

Section 20: N/2

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 20: SE/4

(k) The South Empire-Morrow Gas 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 16: S/2

(l) The East Herradura Bend-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: NE/4

(m) The Ingle Wells-Delaware 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 27: SE/4

Section 34: NE/4

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

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TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 9: SW/4

(o) 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 33: SE/4
Section 34: S/2

(p) 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 3: W/2
Section 4: SE/4

(q) The Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 26: E/2 and SW/4
Section 27: SE/4

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 6: NE/4

(s) The West Sand Dunes-Delaware 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 29: NE/4 and SW/4
Section 32: NW/4

(t) The North Shugart-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 8: SW/4

(u) The Turkey Track-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 23: S/2

(v) The Willow Lake-Delaware 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 29: SW/4

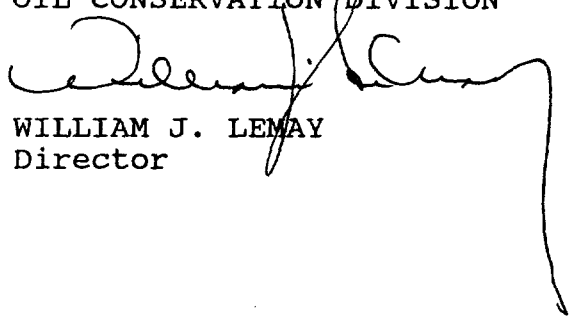
IT IS FURTHER ORDERED THAT:

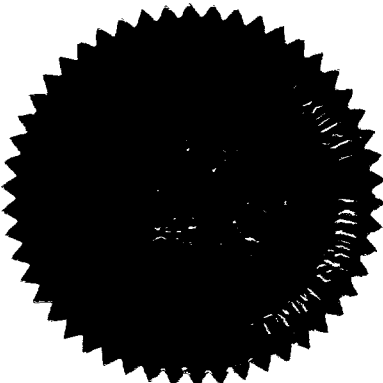
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective 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 May 1, 1993.

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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