

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8559
Order No. R-7875

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on April 10, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 16th day of April, 1985, 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 Delaware formation, said pool to bear the designation of East Brushy Draw-Delaware Pool. Said East Brushy Draw-Delaware Pool was discovered by the J. C. Williamson Ingram-Grooms Federal Well No. 1, located in Unit M of Section 9, Township 26 South, Range 30 East, NMPM. It was completed in the Delaware formation on December 7, 1984. The top of the perforations is at 5,609 feet.

(3) 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 West Carlsbad-Delaware Pool. Said West Carlsbad-Delaware Pool was discovered by the Amoco Production Company Lancaster Spring Unit Well No. 2, located in Unit K of

Section 9, Township 22 South, Range 26 East, NMPM. It was completed in the Delaware formation on August 28, 1984. The top of the perforations is at 4,662 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Dog Canyon-San Andres Pool. Said Dog Canyon-San Andres Pool was discovered by the Harvey E. Yates Anderson 24 Federal Well No. 1, located in Unit N of Section 24, Township 16 South, Range 27 East, NMPM. It was completed in the San Andres formation on January 5, 1985. The top of the perforations is at 2,214 feet.

(5) 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 North Empire-Atoka Gas Pool. Said North Empire-Atoka Gas Pool was discovered by the Amoco Production Company State MT Well No. 1, located in Unit I of Section 1, Township 17 South, Range 28 East, NMPM. It was completed in the Atoka formation on September 8, 1983. The top of the perforations is at 10,277 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 Happy Valley-Atoka Gas Pool. Said Happy Valley-Atoka Gas Pool was discovered by the TXO Corporation Federal E Well No. 1, located in Unit F of Section 4, Township 22 South, Range 26 East, NMPM. It was completed in the Atoka formation on January 10, 1985. The top of the perforations is at 10,334 feet.

(7) 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 Loco Hills-Bone Spring Pool. Said Loco Hills-Bone Spring Pool was discovered by the Harvey E. Yates Company Loco Hills Welch Well No. 1, located in Unit D of Section 9, Township 18 South, Range 29 East, NMPM. It was completed in the Bone Spring formation on September 30, 1978. The top of the perforations is at 7,294 feet.

(8) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Morrow formation, said pool to bear the designation of McKittrick Hills-Morrow Gas Pool. Said McKittrick Hills-

Morrow Gas Pool was discovered by the Florida Exploration Company Chama Federal Com Well No. 1, located in Unit B of Section 11, Township 22 South, Range 24 East, NMPM. It was completed in the Morrow formation on December 27, 1984. The top of the perforations is at 10,282 feet.

(9) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Cisco and Canyon formations, said pool to bear the designation of Penasco Draw-Upper Pennsylvanian Pool. Said Penasco Draw-Upper Pennsylvanian Pool was discovered by the Anadarko Production Company Matlock Well No. 1, located in Unit J of Section 4, Township 19 South, Range 25 East, NMPM. It was completed in the Canyon formation on December 22, 1984. The top of the perforations is at 7,776 feet.

(10) There is need for the abolishment of the East Millman-San Andres Pool in Eddy County, New Mexico, because the East Millman Queen-Grayburg Pool's vertical limits have been extended to include the San Andres formation and said East Millman-San Andres Pool's horizontal limits overlap with the newly created East Millman Queen-Grayburg-San Andres Pool.

(11) There is need for the abolishment of the North Millman-San Andres Pool in Eddy County, New Mexico, because the East Millman Queen-Grayburg Pool's vertical limits have been extended to include the San Andres formation and said North Millman-San Andres Pool's horizontal limits overlap with the newly created East Millman Queen-Grayburg-San Andres Pool.

(12) There is need for certain extensions to the Atoka Glorieta-Yeso Pool, the East Avalon-Bone Spring Gas Pool, the East Black River-Atoka Gas Pool, the North Black River-Atoka Gas Pool, the Brushy Draw-Delaware Pool, the East Burton Flat-Morrow Gas Pool, the North Burton Flat-Strawn Gas Pool, the South Carlsbad-Morrow Gas Pool, the East Eagle Creek Atoka-Morrow Gas Pool, the Northwest Fenton-Delaware Pool, the Hoag Tank-Morrow Gas Pool, the East Indian Draw-Delaware Pool, the Malaga-Morrow Gas Pool, the East Millman Queen-Grayburg-San Andres Pool, the Nimenim Ridge-Morrow Gas Pool, and the Square Lake Grayburg-San Andres Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is hereby created and

designated as the East Brushy Draw-Delaware Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 9: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 9: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 24: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 1: E/2

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 4: All

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 9: NW/4

(g) A new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production is hereby created and

designated as the McKittrick Hills-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM
Section 11: N/2

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

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

(i) The East Millman-San Andres Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 22: NE/4 and W/2 SE/4
Section 27: NE/4 NW/4 and NW/4 NE/4

is hereby abolished.

(j) The North Millman-San Andres Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 1: S/2 SE/4
Section 12: N/2 NE/4

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 6: SW/4 SW/4

is hereby abolished.

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 1: S/2 SE/4
Section 22: W/2 SE/4
Section 27: NE/4 NW/4 and NW/4 NE/4

(l) The Atoka Glorieta-Yeso Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 22: All

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 36: NE/4

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 30: SW/4
Section 31: N/2

(n) The East Black River-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM
Section 23: W/2

(o) The North Black River-Atoka 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 26: W/2
Section 27: All
Section 35: All

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 2: N/2

(p) 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 27: NW/4 NE/4 and W/2

(q) The East Burton Flat-Morrow 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 2: S/2
Section 3: S/2
Section 4: E/2

(r) The North Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and

described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 31: All

Section 32: S/2

(s) 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 27: S/2

(t) The East Eagle Creek 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 26 EAST, NMPM

Section 5: E/2

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 2: S/2

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

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM

Section 11: E/2

Section 12: All

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM

Section 10: NE/4

(x) The Malaga-Morrow Gas 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 11: E/2

Section 12: S/2

(y) The Nimenim Ridge-Morrow Gas 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 28: All

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 22: SW/4
Section 27: NW/4

(aa) The Scanlon-Delaware 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 26: SE/4
Section 35: E/2

(bb) The Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

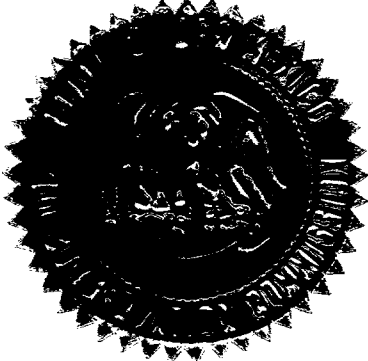
TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 26: S/2 S/2

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, abolishments, and extensions included herein shall be May 1, 1985.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS
Director

fd/