

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. 8824
Order No. R-8149

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 5, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 14th day of February, 1986, 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 Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of West Corbin-San Andres Pool. Said West Corbin-San Andres Pool was discovered by the Southland Royalty Company West Corbin Federal Well No. 7 located in Unit C of Section 7, Township 18 South, Range 33 East, NMPM. It was completed in the San Andres formation on February 17, 1985. The top of the perforations is at 5,786 feet.

(3) 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 South Flying M-Abo Pool. Said South Flying M-Abo Pool was discovered by the Manzano Oil Corporation Clemmons Sunburst

Federal Well No. 1 located in Unit K of Section 13, Township 9 South, Range 32 East, NMPM. It was completed in the Abo formation on May 30, 1985. The top of the perforations is at 8,284 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Upper Pennsylvanian formation, said pool to bear the designation of Grama Ridge-Upper Pennsylvanian Gas Pool. Said Grama Ridge-Upper Pennsylvanian Gas Pool was discovered by the Pogo Producing Company State L-922 Well No. 2 located in Section 28, Township 21 South, Range 34 East, NMPM. It was completed in the Upper Pennsylvanian formation on October 22, 1985. The top of the perforations is at 12,169 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Glorieta formation, said pool to bear the designation of West Nadine-Glorieta Pool. Said West Nadine-Glorieta Pool was discovered by the Crown Central Petroleum Corporation Fred Turner Well No. 1 located in Unit P of Section 6, Township 20 South, Range 38 East, NMPM. It was completed in the Glorieta formation on November 13, 1985. The top of the perforations is at 5,576 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Northeast Salado Draw-Wolfcamp Pool. Said Northeast Salado Draw-Wolfcamp Pool was discovered by the Sohio Petroleum Company Northeast Salado Draw (Deep) Unit Well No. 1 located in Unit E of Section 6, Township 26 South, Range 34 East, NMPM. It was completed in the Wolfcamp formation on August 2, 1985. The top of the perforations is at 13,450 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Queen formation, said pool to bear the designation of Scharb-Queen Gas Pool. Said Scharb-Queen Gas Pool was discovered by the Western Oil Producers Fee KJ Well No. 1 located in Unit N of Section 3, Township 19 South, Range 35 East, NMPM. It was completed in the Queen formation on October 14, 1985. The top of the perforations is at 4,614 feet.

(8) There is need for extensions to the Little Lucky Lake-Morrow Gas Pool in Chaves County, New Mexico, and the South Brunson-Abo Pool, the Caudill-Permo Pennsylvanian Pool, the Draper Mill-Wolfcamp Gas Pool, the EK Yates-Seven Rivers-Queen Pool, the Eunice Monument Grayburg-San Andres Pool,

the Hare-Simpson Pool, the High Plains-Permo Pennsylvanian Pool, the Southeast Knowles-Wolfcamp Pool, the Morton-Wolfcamp Pool, and the Pearl-Queen Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 7: NW/4

(b) A new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the South Flying M-Abo Pool, consisting of the following described area:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 13: SW/4
Section 23: NE/4
Section 24: NW/4

(c) A new pool in Lea County, New Mexico, classified as a gas pool for Upper Pennsylvanian production is hereby created and designated as the Grama Ridge-Upper Pennsylvanian Gas Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 28: S/2

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 6: SE/4

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

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM
Section 6: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 3: SW/4

(g) A new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the South Brunson-Abo Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 32: NE/4
Section 33: W/2 NW/4 and Lots 1 and 2

(h) The Caudill-Permo Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM
Section 20: SE/4
Section 29: N/2 and SW/4

(i) The Draper Mill-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 15: E/2 and NW/4
Section 16: NE/4

(j) The EK Yates-Seven Rivers-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 1: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM
Section 32: SW/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 5: Lots 9, 10, 11, 12, 13,
14, 15, and 16
Section 6: Lots 9, 10, 11, 12, 13,
14, 15, and 16

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 3: Lot 10

(m) The High Plains-Permo Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 35: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 38 EAST, NMPM
Section 24: W/2

(o) The Little Lucky Lake-Morrow Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 29: N/2

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

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 5: SW/4
Section 6: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 14: W/2

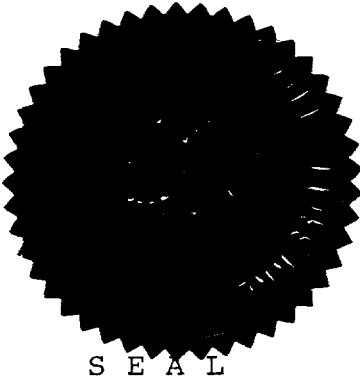
IT IS FURTHER ORDERED THAT:

(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 March 1, 1986.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. STAMETS
Director