

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. 8861
Order No. R-8193

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 19, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 21st day of March, 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 Strawn formation, said pool to bear the designation of South Cass-Strawn Pool. Said South Cass-Strawn Pool was discovered by the Conoco, Inc. State 35 Well No. 1 located in Unit P of Section 35, Township 20 South, Range 37 East, NMPM. It was completed in the Strawn formation on November 15, 1984. The top of the perforations is at 7,619 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Lower Wolfcamp formation, said pool to bear the designation of EK-Wolfcamp Pool. Said EK-Wolfcamp Pool was discovered by the Manzano Oil Corporation Airstrip Northwest Deep Unit Well No. 1 located in Unit B of Section 20, Township 18 South, Range 34 East, NMPM. It was completed in the Lower

Wolfcamp formation on December 31, 1985. The top of the perforations is at 11,420 feet.

(4) 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 Laguna Valley-Morrow Gas Pool. Said Laguna Valley-Morrow Gas Pool was discovered by the Chama Petroleum Company Rett Federal Com Well No. 1Y located in Unit P of Section 23, Township 20 South, Range 34 East, NMPM. It was completed in the Morrow formation on August 18, 1985. The top of the perforations is at 13,041 feet.

(5) 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 West Tonto-Bone Spring Pool. Said West Tonto-Bone Spring Pool was discovered by the Spectrum 7 Exploration Company Federal 12 Well No. 1 located in Unit G of Section 12, Township 19 South, Range 32 East, NMPM. It was completed in the Bone Spring formation on October 25, 1985. The top of the perforations is at 8,795 feet.

(6) There is need for certain extensions to the Cline Drinkard-Abo Pool, the Central Corbin-Queen Pool, the Hardy-Drinkard Pool, the South Humble City-Strawn Pool, the Johnson Ranch-Wolfcamp Gas Pool, the Northeast Lovington-Pennsylvanian Pool, the Maljamar Grayburg-San Andres Pool, the Mescalero-Permo Pennsylvanian Pool, the Mescalero Escarpe-Bone Spring Pool, the East Saunders-Permo Pennsylvanian Pool, and the Wantz-Abo 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 Strawn production is hereby created and designated as the South Cass-Strawn Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 35: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 20: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 23: S/2

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 12: NE/4

(e) The Cline Drinkard-Abo 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 12: S/2

(f) The Central Corbin-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 4: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 3: SE/4

(h) The South Humble City-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 13: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 22: W/2

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 8: NE/4
Section 10: S/2

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 25: NE/4

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

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 33: N/2

(m) The Mescalero Escarpe-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 11: SW/4

(n) The East Saunders-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 16: SW/4

(o) The Wantz-Abo 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: Lots 9, 10, 15, and 16

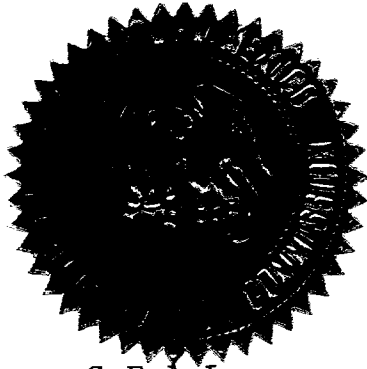
IT IS FURTHER ORDERED THAT:

(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 the said 60-day period shall subject the well to cancellation of allowable.

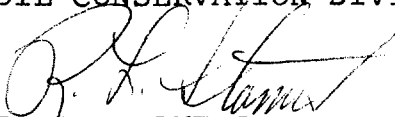
(2) The effective date of this order and all creations and extensions included herein shall be April 1, 1986.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

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