

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. 8874 (REOPENED)  
Order No. R-639-D

IN THE MATTER OF CASE 8874 BEING  
REOPENED PURSUANT TO THE PROVISIONS  
OF DIVISION ORDER NO. R-639-C-1  
WHICH ORDER RECLASSIFIED THE CROSBY-  
DEVONIAN GAS POOL IN LEA COUNTY, NEW  
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 10, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 17th day of January, 1990, 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) By Division Order No. R-639, dated May 29, 1955, the Crosby-Devonian Gas Pool was created and special pool rules were promulgated including a provision for 160-acre spacing and proration units.

(3) By Division Order No. R-639-A, dated December 28, 1956, which order superseded Order No. R-639, additional special rules and regulations for the Crosby-Devonian Gas Pool were promulgated including the institution of gas proration, which was subsequently continued under the provisions of Division Order No. R-8170, as amended.

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Order No. R-639-D  
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(4) By Division Order No. R-639-C, the Crosby-Devonian Gas Pool was reclassified as an associated pool and designated the Crosby-Devonian Associated Pool. Said Order also established temporary special rules and regulations whereby said pool would be governed by the General Rules and Regulations for the Associated Oil and Gas Pools of Southeast New Mexico as promulgated by Division Order No. R-5353, as amended, and further required that oil wells be spaced on 40-acre proration units and gas wells be spaced on 160-acre proration units.

(5) Pursuant to the provisions of said Order No. R-639-C, Case 8874 was reopened January 6, 1988 in order to allow the operators in the subject pool the opportunity to present evidence and testimony to show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool.

(6) By Order No. R-639-C-1, the Division granted a two year extension to the temporary special rules and regulations for the Crosby-Devonian Associated Pool.

(7) Pursuant to the provisions of Division Order No. R-639-C-1, this case was reopened at this time to allow the operators in the subject pool the opportunity to present evidence and testimony to show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool.

(8) Neither American Exploration Company, who entered a brief appearance in this case, or Chevron USA Inc., the only two operators in the Crosby-Devonian Associated Pool at the present time, presented any evidence or testimony in support of continuing the present pool classification.

(9) Inasmuch as there is no further evidence to support the continued present pool classification, the Crosby-Devonian Associated Pool should be reclassified as a gas pool at this time.

(10) The Crosby-Devonian Gas Pool should be governed by the provisions of Division Order Nos. R-639-A and R-8170, as amended.

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(11) Division Order Nos. R-639-C and R-639-C-1 should be superseded by this order.

IT IS THEREFORE ORDERED THAT:

(1) The Crosby-Devonian Associated Pool in Lea County, New Mexico, is hereby reclassified as a gas pool and designated the Crosby-Devonian Gas Pool.

(2) The Crosby-Devonian Gas Pool shall be governed by the special rules and regulations as contained within Division Order Nos. R-639-A and R-8170, as amended.

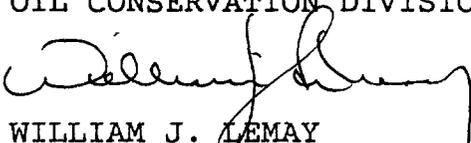
(3) Division Order Nos. R-639-C and R-639-C-1 are hereby superseded by this order.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

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. 8874 (REOPENED)  
ORDER NO. R-639-C-1

IN THE MATTER OF CASE 8874 BEING  
REOPENED PURSUANT TO THE  
PROVISIONS OF DIVISION ORDER NO. R-639-C,  
WHICH ORDER RECLASSIFIED THE  
CROSBY-DEVONIAN GAS POOL IN LEA COUNTY,  
NEW MEXICO AS AN ASSOCIATED POOL AND  
PROMULGATED SPECIAL PROVISIONS THEREIN.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 6, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 25th day of January, 1988, 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) By Division Order No. R-639, dated May 29, 1955, the Crosby-Devonian Gas Pool was created and special pool rules were promulgated including a provision for 160-acre spacing and proration units.

(3) Pursuant to Division Order No. R-639-A, as amended, gas proration became effective in said pool on April 1, 1957, and was subsequently continued under the provisions of Division Order No. R-8170, as amended.

(4) By Division Order No. R-639-C, issued after hearing on July 23, 1986, and dated October 9, 1986, the Crosby-Devonian Gas Pool in Lea County, New Mexico was reclassified as an associated pool and redesignated the Crosby-Devonian Associated Pool.

(5) Said Order No. R-639-C also established temporary pool rules whereby said pool would be governed by the General Rules and Regulations for the Associated Oil and Gas Pools of Southeast New

Mexico, promulgated by Division Order No. R-5353, as amended, and that oil wells be spaced on 40-acre proration units and gas wells be spaced on 160-acre proration units.

(6) Pursuant to the provisions of said Order No. R-639-C, this case was reopened to allow the operators in the subject pool to appear and show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Order Nos. R-639, as amended, and R-8170, as amended.

(7) At the time of the July 23, 1986 hearing only two wells were producing from the subject pool, the Chevron U.S.A., Inc. G.W. Shahan Well No. 2 located 990 feet from the North line and 1650 feet from the East line (Unit B) of Section 33, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico and the Union Texas Petroleum Corporation Gregory El Paso Federal Well No. 1 located 660 feet from the South line and 1650 feet from the East line (Unit O) of said Section 33. The G.W. Shahan Well No. 2 produced no oil while the Gregory El Paso Federal Well No. 1 had a gas-oil ratio of approximately 9000 cubic feet of gas to one barrel of liquid hydrocarbons.

(8) Presently these two wells are the only wells producing from the subject pool and since that time no other wells have been drilled or completed in the subject pool.

(9) American Exploration Company (who acquired the Gregory El Paso Federal Well No. 1 in February, 1987) appeared at the hearing and requested a two year extension of time to the provisions as described in Finding Paragraph No. 6 above.

(10) American Exploration Company, at the time of the hearing, presented evidence sufficient to show that the production on the two aforementioned wells had no significant changes during the one year temporary period.

(11) All provisions set forth by said Order No. R-639-C should remain in full force and effect with the exception of Ordering Paragraph No. (4) which should be amended to read in its entirety as follows:

"(4) This case shall be reopened at an examiner hearing in January 1990, at which time the operators in the subject pool should be prepared to appear and show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders Nos. R-639, as amended, and R-8170."

IT IS THEREFORE ORDERED THAT:

(1) American Exploration Company's request for a two year time extension on the temporary provisions for the Crosby-Devonian Associated Pool is hereby granted.

(2) Ordering Paragraph No. (4) of Division Order No. R-639-C, dated October 9, 1986, is hereby amended to read in its entirety as follows:

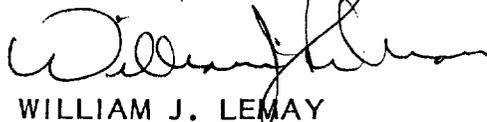
"(4) This case shall be reopened at an examiner hearing in January 1990, at which time the operators in the subject pool should be prepared to appear and show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders Nos. R-639, as amended, and R-8170."

(3) All other provisions in said Order No. R-639-C shall remain in full force and effect until such time as an order is issued in this matter subsequent to the January 1990 hearing.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

S E A L

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. 8874  
Order No. R-639-C

APPLICATION OF UNION TEXAS PETROLEUM  
CORPORATION FOR POOL RECLASSIFICATION,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 23, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of October, 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) By Division Order No. R-639, dated May 27, 1955, the Crosby-Devonian Gas Pool was created and special pool rules were promulgated including a provision for 160-acre spacing and proration units.

(3) Pursuant to Division Order No. R-639-A, gas proration became effective in said pool on April 1, 1957 and continues presently under Division Order No. R-8170.

(4) The vertical limits of said pool consist of the Devonian formation and the horizontal limits currently encompass the following acreage in Lea County, New Mexico.

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM,

Section 20: SE/4  
Section 21: SW/4  
Section 28: All  
Section 29: E/2  
Section 32: NE/4  
Section 33: All

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM,  
Section 3: NW/4  
Section 4: N/2

(5) The applicant, Union Texas Petroleum Corporation, seeks the reclassification of the Crosby-Devonian Gas Pool as an associated pool and the promulgation of special pool rules including a provision for 160-acre oil and gas proration units and well locations.

(6) Presently there are two wells producing from the Crosby-Devonian Gas Pool, the Chevron USA Inc. G. W. Shahan Well No. 2 located <sup>990</sup> ~~1980~~ feet from the North line and <sup>1650</sup> ~~330~~ feet from the East line (Unit B) of Section 33, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, and the Union Texas Petroleum Corporation Gregory El Paso Federal Well No. 1 located 660 feet from the South line and 1650 feet from the East line (Unit O) of said Section 33.

(7) Presently the G. W. Shahan Well No. 2 produces no oil while the Gregory El Paso Federal Well No. 1 has a gas-oil ratio of approximately 9000 cubic feet of gas to 1 barrel of liquid hydrocarbons.

(8) The applicant failed to provide sufficient evidence to show that an oil well would drain 160 acres in the Devonian formation.

(9) Said Crosby-Devonian Gas Pool should be reclassified as an associated pool for the production of oil and gas from the Devonian formation and designated the Crosby-Devonian Associated Pool.

(10) The evidence available at the time of the hearing indicates that said Crosby-Devonian Associated Pool may be efficiently and economically developed by oil wells on 40-acre spacing and proration units and by gas wells on 160-acre spacing and proration units.

(11) The evidence further indicates that oil wells in said pool should be located no closer than 330 feet to any quarter section or quarter-quarter section line and that gas wells should continue to be located no closer than 660 feet to any outer boundary of a 160-acre unit nor closer than 330 feet to any quarter-quarter section line or subdivision inner boundary.

(12) The application for special rules and regulations should be approved for a temporary period of one year to permit operators in the subject pool to gather additional reservoir information.

(13) This case should be reopened at an examiner hearing in October 1987, at which time the operators in the subject pool should be prepared to appear and show cause why said pool should not be reclassified as a gas pool to be governed by the rules set forth in Division Orders Nos. R-639, as amended, and R-8170.

(14) The provisions set forth by this Order should be made effective as of October 1, 1986.

IT IS THEREFORE ORDERED THAT:

(1) Effective October 1, 1986, the Crosby-Devonian Gas Pool in Lea County, New Mexico, and further described in Finding Paragraph No. (4) of this Order, is hereby reclassified as an associated pool and redesignated the Crosby-Devonian Associated Pool.

(2) Said Crosby-Devonian Associated Pool shall be governed by the General Rules and Regulations for the Associated Oil And Gas Pools of Southeast New Mexico, promulgated by Order No. R-5353, as amended, insofar as said General Rules and Regulations are not inconsistent with the Special Rules and Regulations for the subject pool as hereinafter set forth, in which event the Special Rules shall apply.

SPECIAL RULES AND REGULATIONS  
FOR THE  
CROSBY-DEVONIAN ASSOCIATED POOL

RULE 1. (a) A standard oil proration unit shall be 40 acres. A standard gas proration unit shall be 160 acres.

RULE 2. (b) Oil wells shall be located no closer than 330 feet to any outer boundary of the quarter-quarter section.

Gas wells drilled after the effective date of this order shall be located no closer than 660 feet to the outer boundary of a unit nor closer than 330 feet to any quarter-quarter section line or inner boundary.

IT IS FURTHER ORDERED THAT:

(3) Pursuant to Paragraph A. of Section 70-2-18, N.M.S.A. 1978 Comp., contained in Laws of 1969, Chapter 271, existing gas wells in the Crosby-Devonian Associated Pool shall have dedicated thereto 160 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 70-2-18, existing wells may have non-standard spacing or

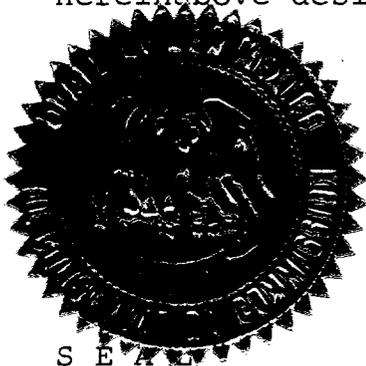
proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating the appropriate acreage to a well or to obtain a non-standard unit approved by the Division within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the Crosby-Devonian Associated Pool or in the Devonian formation within one mile thereof shall receive no more than a 40-acre allowable for the pool.

(4) This case shall be reopened at an examiner hearing in October 1987, at which time the operators in the subject pool should be prepared to appear and show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders Nos. R-639, as amended, and R-8170.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*R. L. Stamets*  
R. L. STAMETS,  
Director