

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. 10889  
Order No. R-10042

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER CREATING, ASSIGNING A DISCOVERY  
ALLOWABLE, 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 December 16, 1993, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 28th day of December, 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 Upper Pennsylvanian formation, said pool to bear the designation of Northwest Dagger Draw-Upper Pennsylvanian Gas Pool. Said Northwest Dagger Draw-Upper Pennsylvanian Gas Pool was discovered by the Yates Petroleum Corporation Irish Hills KW State Well No. 3 located in Unit A of Section 2, Township 19 South, Range 24 East, NMPM. It was completed in the Upper Pennsylvanian formation on March 26, 1993. The top of the perforations is at 6,487 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Northwest Indian Basin-Strawn Gas Pool. Said Northwest Indian Basin-Strawn Gas Pool was discovered by the Central Resources, Inc. Shell Federal Well No. 1 located in Unit R of Section 6,

Township 21 South, Range 24 East, NMPM. It was completed in the Strawn formation on March 5, 1980. The top of the perforations is at 8,772 feet.

(4) 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 Northeast Livingston Ridge-Atoka Gas Pool. Said Northeast Livingston Ridge-Atoka Gas Pool was discovered by the Mitchell Energy Corporation Apache 13 Federal Well No. 1 located in Unit H of Section 13, Township 22 South, Range 30 East, NMPM. It was completed in the Atoka formation on September 22, 1993. The top of the perforations is at 12,836 feet.

(5) 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 South Livingston Ridge-Delaware Pool. Said South Livingston Ridge-Delaware Pool was discovered by the Devon Energy Corporation Barclay 11G Federal Well No. 7 located in Unit G of Section 11, Township 23 South, Range 31 East, NMPM. It was completed in the Delaware formation on October 24, 1993. The top of the perforations is at 8,056 feet.

(6) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of oil from the Siluro-Devonian formation, said pool to bear the designation of Long Arroyo-Siluro Devonian Pool. Further, the discovery well for said Long Arroyo-Siluro Devonian Pool, the Hanagan Petroleum Corporation Charlie State Well No. 1 located in Unit G of Section 7, Township 13 South, Range 28 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 39,655 barrels of oil to be assigned over a two-year period. Said discovery well was completed in the Siluro-Devonian formation on September 21, 1993. The top of the perforations is at 7,931 feet.

(7) 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 Southwest McMillan-Atoka Gas Pool. Said Southwest McMillan-Atoka Gas Pool was discovered by the Barbara Fasken Lake McMillan Federal Well No. 1 located in Unit I of Section 30, Township 19 South, Range 27 East, NMPM. It was completed in the Atoka formation on September 16, 1993. The top of the perforations is at 9,436 feet.

(8) 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 be designated as the

Southwest Poker Lake-Delaware Pool. Said Southwest Poker Lake-Delaware Pool was discovered by the Fortson Oil Company Poker Lake Unit Well No. 78 located in Unit A of Section 25, Township 24 South, Range 30 East, NMPM. It was completed in the Delaware formation on September 5, 1993. The top of the perforations is at 7,856 feet.

(9) There is need for the amendment of the location of the South Burton-Yates Gas Pool in Eddy County, New Mexico, as created by Division Order No. R-9709 dated August 25, 1992, from Township 20 South, Range 29 East, to Township 20 South, Range 28 East.

(10) There is need for certain extensions to the Southeast Acme-San Andres Pool in Chaves County, New Mexico, and the East Avalon-Bone Spring Gas Pool, the Brushy Draw-Delaware Pool, the South Burton-Yates Gas Pool, the West Burton Flat-Strawn Gas Pool, the Cabin Lake-Delaware Pool, the South Dagger Draw-Upper Pennsylvanian Associated Pool, the Northeast Dos Hermanos-Morrow Gas Pool, the South Hackberry-Strawn Pool, the East Herradura Bend-Delaware Pool, the North Illinois Camp-Morrow Gas Pool, the Indian Basin-Upper Pennsylvanian Associated Pool, the East Indian Draw-Delaware Pool, the Indian Flats-Delaware Pool, the Ingle Wells-Delaware Pool, the La Huerta-Delaware Pool, the Logan Draw-Wolfcamp Gas Pool, the Los Medanos-Delaware Pool, the Nash Draw-Brushy Canyon Pool, the Power Grayburg-San Andres Pool, the Southeast Quahada Ridge-Delaware Pool, the Red Lake Atoka-Morrow Gas Pool, the South Sand Dunes-Delaware Pool, the West Sand Dunes-Delaware Pool, the Walters Lake-Bone Spring Pool, and the Willow Lake-Delaware Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 2: N/2

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

Case No. 10889  
Order No. R-10042  
-4-

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM  
Section 6: S/2

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM  
Section 13: E/2

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM  
Section 11: NE/4

(e) A new pool in Chaves County, New Mexico, classified as an oil pool for Siluro-Devonian production is hereby created and designated as the Long Arroyo-Siluro Devonian Pool, consisting of the following described area:

TOWNSHIP 13 SOUTH, RANGE 28 EAST, NMPM  
Section 7: NE/4

Further, the discovery well for said Long Arroyo-Siluro Devonian Pool, the Hanagan Petroleum Corporation Charlie State Well No. 1 located in Unit G of Section 7, Township 13 South, Range 28 East, NMPM, is hereby assigned a bonus discovery allowable of 39,655 barrels to be produced over a two-year period.

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 30: E/2

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

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM  
Section 25: NE/4

(h) The Southeast Acme-San Andres 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 1: SW/4  
Section 12: NW/4

(i) 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 28 EAST, NMPM  
Section 29: S/2  
Section 32: NW/4

(j) 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: N/2

(k) The location of the South Burton-Yates Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby amended to read Township 20 South, Range 28 East, NMPM, and said pool is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 28: NW/4

(l) The West Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 12: S/2

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM  
Section 2: NW/4  
Section 12: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 34: E/2

(o) The Northeast Dos Hermanos-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM  
Section 12: W/2 and NE/4

(p) The South Hackberry-Strawn Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM  
Section 4: N/2, N/2 SE/4, and SW/4 SE/4

(q) 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 1: NW/4

(r) The North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 17: W/2

(s) The Indian Basin-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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

(t) 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 3: SE/4

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM  
Section 26: NE/4 and S/2

(v) 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 23: SE/4  
Section 24: NW/4  
Section 36: NW/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 2: SW/4  
Section 11: NW/4

(w) The La Huerta-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 16: NE/4

(x) The Logan Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 35: E/2 and NW/4

(y) The Los Medanos-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 8: SE/4  
Section 16: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM  
Section 13: SE/4

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM  
Section 18: NW/4

(aa) The Power Grayburg-San Andres 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 1: SE/4

(bb) The Southeast Quahada Ridge-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM  
Section 1: N/2

(cc) The Red Lake 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 27 EAST, NMPM  
Section 14: W/2

(dd) 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: SE/4

(ee) 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 33: SW/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 4: NW/4  
Section 5: E/2

(ff) The Walters Lake-Bone Spring 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 11: NW/4

(gg) 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 28 EAST, NMPM  
Section 36: E/2



Case No. 10889  
Order No. R-10042  
-9-

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM  
Section 31: SW/4

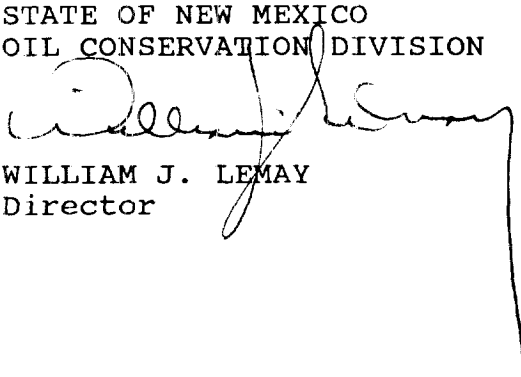
IT IS FURTHER ORDERED THAT:

(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, assignments of discovery allowables, amendments of pool locations, and extensions included herein shall be January 1, 1994.

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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