

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. 11081
Order No. R-10187

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 1, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 6th day of September, 1994, 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 Yeso formation, said pool to bear the designation of South Indian Basin-Yeso Pool. Said South Indian Basin-Yeso Pool was discovered by the Yates Petroleum Corporation Sacahuiste KE Federal Well No. 1 located in Unit O of Section 34, Township 22 South, Range 23 East, NMPM. It was completed in the Yeso formation on April 30, 1994. The top of the perforations is at 2,342 feet.

(3) There is need for the creation of a new pool in Eddy County, New

Case No. 11081
Order No. R-10187

-2-

Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Los Medanos-Wolfcamp Gas Pool. Said Los Medanos-Wolfcamp Gas Pool was discovered by the Mitchell Energy Corporation Apache 25 Federal Com Well No. 2 located in Unit P of Section 25, Township 22 South, Range 30 East, NMPM. It was completed in the Wolfcamp formation on April 16, 1994. The top of the perforations is at 11,824 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Northwest Sulphate Draw-Wolfcamp Gas Pool. Said Northwest Sulphate Draw-Wolfcamp Gas Pool was discovered by the Hallwood Petroleum Corporation, Inc. Target 23 State Well No. 1 located in Unit E of Section 23, Township 24 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on April 5, 1994. The top of the perforations is at 10,796 feet.

(5) There is need for certain extensions to the Cedar Canyon-Delaware Pool, the Cedar Lake-Strawn Pool, the South Dagger Draw-Upper Pennsylvanian Associated Pool, the East Herradura Bend-Delaware Pool, the Illinois Camp-Bone Spring Pool, the North Illinois Camp-Morrow Gas Pool, the Little Box Canyon-Morrow Gas Pool, the Nash Draw-Strawn Gas Pool, the Old Millman Ranch-Bone Spring Associated Pool, the Travis-Upper Pennsylvanian Pool, the Southeast Willow 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 an oil pool for Yeso production is hereby created and designated as the South Indian Basin-Yeso Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM
Section 34: SE/4

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

Case No. 11081
Order No. R-10187
-3-

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 25: S/2

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

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

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 16: E/2

(e) The Cedar Lake-Strawn 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 2: NE/4

(f) 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 1/2 SOUTH, RANGE 23 EAST, NMPM
Section 36: All

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

TOWNSHIP 22 SOUTH, RANGE 29 EAST, NMPM
Section 31: NW/4

Case No. 11081
Order No. R-10187

-4-

(h) The Illinois Camp-Bone Spring 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 16: S/2

(i) 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 20: N/2

(j) The Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM

Section 1: E/2

Section 12: N/2

(k) The Nash Draw-Strawn Gas 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 24: S/2 and NE/4

(l) The Old Millman Ranch-Bone Spring Associated 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 10: NE/4

(m) The Travis-Upper Pennsylvanian Pool in Eddy County, New Mexico,

Case No. 11081
Order No. R-10187

-5-

as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 23: SW/4

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

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 8: NE/4

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

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
Section 1: SE/4

IT IS FURTHER ORDERED THAT:

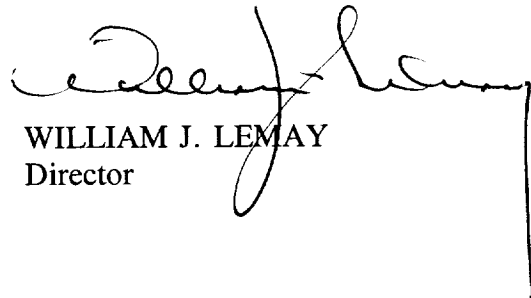
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective 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 and extensions included herein shall be October 1, 1994.

Case No. 11081
Order No. R-10187
-6-

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

fd/