

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. 11130
Order No. R-10240

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 October 27, 1994, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of November, 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 Lea County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of East Gem-Strawn Pool. Said East Gem-Strawn Pool was discovered by the Union Oil Company of California Smith Well No. 1 located in Unit J of Section 25, Township 19 South, Range 33 East, NMPM. It was completed in the Strawn formation on January 15, 1994. The top of the perforations is at 12,175 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

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South Lane-Abo Pool. Said South Lane-Abo Pool was discovered by the Lobo Resources Inc. Shell State Well No. 3 located in Unit H of Section 22, Township 10 South, Range 33 East, NMPM. It was completed in the Abo formation on June 18, 1994. The top of the perforations is at 8,852 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Drinkard formation, said pool to bear the designation of East Vacuum-Drinkard Pool. Said East Vacuum-Drinkard Pool was discovered by the Marathon Oil Company Warn State A/c 3 Well No. 10 located in Unit H of Section 33, Township 17 South, Range 35 East, NMPM. It was completed in the Drinkard formation on July 11, 1994. The top of the perforations is at 7,764 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 Warren-Glorieta Pool. Said Warren-Glorieta Pool was discovered by the Conoco Inc. Warren Unit Well No. 8 located in Unit J of Section 28, Township 20 South, Range 38 East, NMPM. It was completed in the Glorieta formation on June 15, 1994. The top of the perforations is at 5,398 feet.

(6) There is need for certain extensions to the E-K Bone Spring Pool, the Eunice Monument Grayburg-San Andres Pool, the Lovington-Paddock Pool, the Mesa Verde-Bone Spring Pool, the Mesa Verde-Delaware Pool, the Milnesand-Abo Pool, and the Red Hills-Bone Spring Pool, all in Lea County, New Mexico.

(7) The effective date of this order and all creations and extensions included herein should be November 1, 1994.

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 East Gem-Strawn Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 25: SE/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 Lane-Abo Pool, consisting of the following described area:

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TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 22: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 33: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 28: SE/4

(e) The E-K Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 32: SW/4

(f) 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 29: S/2

(g) The Lovington-Paddock 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 27: W/2
Section 28: SE/4

(h) The Mesa Verde-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 5: W/2

Section 6: NE/4

(i) The Mesa Verde-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 6: SW/4

Section 7: NE/4

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

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM

Section 4: N/2

(k) The Red Hills-Bone Spring 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 12: SW/4

IT IS FURTHER ORDERED THAT:

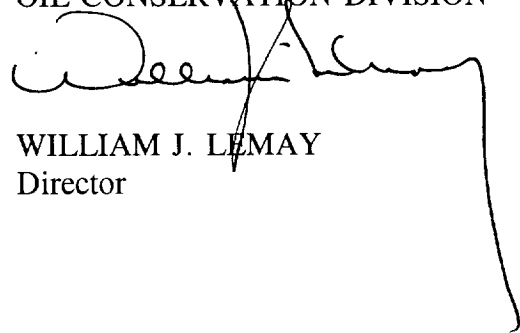
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

WILLIAM J. LEMAY
Director

S E A L

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