

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. 11250
Order No. R-10343

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING 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 April 6, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 24th day of April, 1995, 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 Chaves County, New Mexico, for the production of oil from the Siluro Devonian formation, said pool to bear the designation of Northwest Chisum Siluro-Devonian Pool. Said Northwest Chisum Siluro-Devonian Pool was discovered by the Hanagan Petroleum Corporation Gray Well No. 1 located in Unit J of Section 33, Township 10 South, Range 27 East, NMPM. It was completed in the Siluro Devonian formation on December 10, 1994. The top of the perforations is at 6,508 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, classified as an oil pool for Abo production, said pool to bear the designation of North Empire-

Case No. 11250
Order No. R-10343
-2-

Abo Pool. Said North Empire-Abo Pool was discovered by the Mack Energy Corporation Big George State Well No. 2 located in Unit J of Section 12, Township 17 South, Range 28 East, NMPM. It was completed in the Abo formation on November 15, 1994. The top of the perforations is at 6,994 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of West McKittrick Hills-Morrow Gas Pool. Said West McKittrick Hills-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Anemone "ANE" Federal Well No. 1 located in Unit K of Section 9, Township 22 South, Range 24 East, NMPM. It was completed in the Morrow formation on January 23, 1995. The top of the perforations is at 10,072 feet.

(5) There is need for certain extensions to the Brushy Draw-Delaware Pool, the South Burton-Yates Gas Pool, the East Burton Flat-Strawn Gas Pool, the Cedar Canyon-Bone Spring Pool, the North Cedar Lake-Strawn Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the Foster Draw-Delaware Gas Pool, the Happy Valley-Delaware Pool, the East Herradura Bend-Delaware Pool, the Ingle Wells-Delaware Pool, the Northeast Livingston Ridge-Atoka Gas Pool, the Los Medanos-Atoka Gas Pool, the Lost Tank-Delaware Pool, the Nash Draw-Brushy Canyon Pool, the Northwest Poker Lake-Delaware Pool, the Southwest Poker Lake-Delaware Pool, the West Sand Dunes-Delaware Pool, the Santo Nino-Bone Spring Pool, and the Siegreist Draw-Abo Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 33: SE/4

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 12: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM
Section 9: S/2

(d) 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 10: SW/4

(e) The South Burton-Yates 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 20: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 7: W/2

(g) The Cedar Canyon-Bone Spring 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 3: NE/4

(h) The North Cedar Lake-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 25: S/2

(i) The North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, new Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 11250
Order No. R-10343
-4-

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 32: NW/4

(j) The Foster Draw-Delaware Gas 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 5: SW/4
Section 6: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 33: SW/4

(l) 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: SE/4

(m) 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 34: SW/4

(n) The Northeast Livingston Ridge-Atoka Gas 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 12: SE/4

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 7: S/2

(o) The Los Medanos-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

Case No. 11250
Order No. R-10343
-5-

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 24: S/2

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

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 2: SW/4

(q) 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 24: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM
Section 12: SE/4

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

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM
Section 25: SW/4
Section 36: NW/4

(t) The West 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 3: SW/4
Section 4: SE/4

(u) The Santo Nino-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 29: NW/4

Case No. 11250
Order No. R-10343
-6-

(v) The Siegreest Draw-Abo Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 31: SE/4
Section 32: SW/4

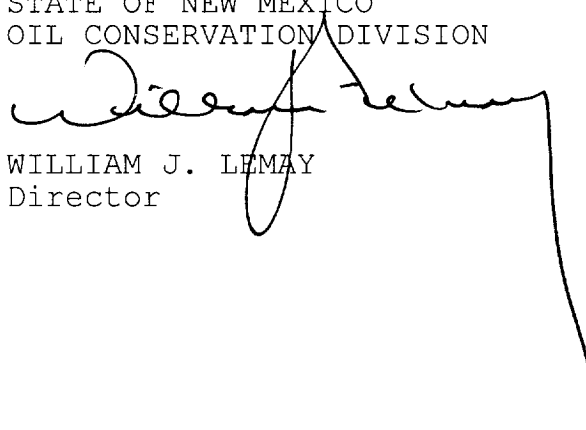
IT IS FURTHER ORDERED THAT:

(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 May 1, 1995.

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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