

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. 11299
Order No. R-10377

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, ABOLISHING, CONTRACTING,
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 June 1, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 2nd day of June, 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 Abo formation, said pool to bear the designation of Blackwater-Abo Pool. Said Blackwater-Abo Pool was discovered by the Yates Petroleum Corporation Blackwater Unit Well No. 5 located in Unit L of Section 4, Township 9 South, Range 22 East, NMPM. It was completed in the Abo formation on January 12, 1995. The top of the perforations is at 3,350 feet.

(3) There is need for the abolishment of the East Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, in order to include the abolished acreage in the North Dagger Draw-Upper Pennsylvanian Pool.

(4) There is need for the contraction of the East Avalon-Bone Spring Gas Pool in Eddy County, New Mexico, in

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order to include the deleted acreage in the Burton Flat-Bone Spring Associated Pool.

(5) There is need for certain extensions to the Burton Flat-Bone Spring Associated Pool, the East Catclaw Draw-Delaware Pool, the Cedar Canyon-Delaware Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the Ingle Wells-Delaware Pool, and the Livingston Ridge-Delaware Pool, all in Eddy County, New Mexico, and the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM
Section 4: SW/4

(b) The East Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 27: NW/4

is hereby abolished.

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 27: NW/4

(d) The East Avalon-Bone Spring Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 32: NW/4

(e) The Burton Flat-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 32: NW/4

(f) The East Catclaw Draw-Delaware 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 16: SE/4

(g) 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 21: NE/4

(h) 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 13: SE/4
Section 24: NE/4
Section 36: SW/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 3: SE/4

(i) The Livingston Ridge-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 12: SE/4

(j) The West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM
Section 17: 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

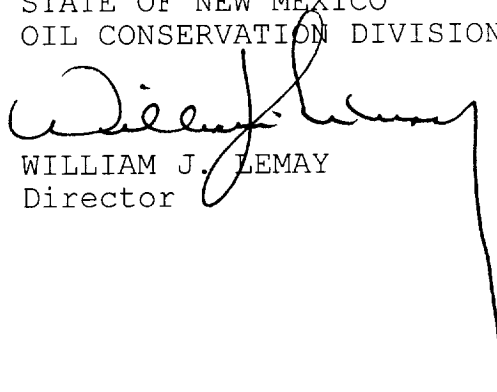
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effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the 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, abolishments, contractions, and extensions included herein shall be July 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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