

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. 11519  
Order No. R-10588

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 April 18, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 26th day of April, 1996, 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 Devonian formation, said pool to bear the designation of Allison-Devonian Pool. Said Allison-Devonian Pool was discovered by the Layton Enterprises Inc. El Zorro H Federal Well No. 1 located in Unit H of Section 1, Township 9 South, Range 36 East, NMPM. It was completed in the Devonian formation on January 7, 1996. The top of the perforations is at 12,340 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of North

Crossroads-Devonian Pool. Said North Crossroads-Devonian Pool was discovered by the Cobra Oil & Gas Corporation Aleshire 9 Well No. 1 located in Unit J of Section 9, Township 9 South, Range 36 East, NMPM. It was completed in the Devonian formation on February 18, 1996. The top of the perforations is at 12,935 feet.

(4) 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 Fowler-Abo Pool. Said Fowler-Abo Pool was discovered by the Arch Petroleum Inc. Plains-Knight Well No. 4 located in Unit K of Section 23, Township 24 South, Range 37 East, NMPM. It was completed in the Abo formation on December 2, 1995. The top of the perforations is at 6,274 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Quail Ridge-Atoka Gas Pool. Said Quail Ridge-Atoka Gas Pool was discovered by the Mallon Oil Company Pennzoil 36 State Well No. 1 located in Unit I of Section 36, Township 19 South, Range 33 East, NMPM. It was completed in the Atoka formation on October 29, 1995. The top of the perforations is at 12,427 feet.

(6) There is need for certain extensions to the North Bell Lake-Ellenburger Gas Pool, the Diamondtail-Delaware Pool, the Southwest Eunice-San Andres Pool, the Fairview Mills-Wolfcamp Gas Pool, the East Gem-Strawn Pool, the Hare-San Andres Pool, the Red Hills-Bone Spring Pool, and the Teas-Bone Spring Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM  
Section 1: NE/4

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

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM  
Section 9: SE/4

(c) A new pool in Lea County, New Mexico, classified as an oil pool for Abo

production is hereby created and designated as the Fowler-Abo Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 23: W/2

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 36: E/2

(e) The North Bell Lake-Ellenburger Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 6: All

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM  
Section 10: SE/4

(g) The Southwest Eunice-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 16: NW/4

(h) The Fairview Mills-Wolfcamp Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM  
Section 9: N/2

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

Case No. 11519  
Order No. R-10588

-4-

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 30: SW/4

Section 31: N/2

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 10: SE/4

Section 22: NE/4

(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 1: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 18: S/2

IT IS FURTHER ORDERED THAT:

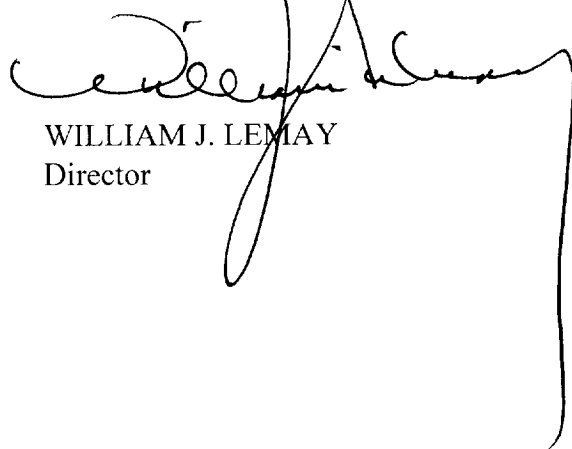
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective 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, 1996.

Case No. 11519  
Order No. R-10588  
-5-

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 and title. The signature is fluid and cursive, with a long, sweeping vertical stroke extending downwards from the end of the name.

WILLIAM J. LEMAY  
Director

S E A L

fd/