

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. 11592
Order No. R-10641

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 August 8, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 20th day of August, 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 Bone Spring formation, said pool to bear the designation of East Cotton Draw-Bone Spring Pool. Said East Cotton Draw-Bone Spring Pool was discovered by the Yates Petroleum Corporation Haracz AMO Federal Well No. 7 located in Unit F of Section 19, Township 24 South, Range 32 East, NMPM. It was completed in the Bone Spring formation on May 1, 1996. The top of the perforations is at 8,593 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 West DK-Abo Pool. Said West DK-Abo Pool was discovered by the Conoco Inc. Warren Unit Well No. 127 located in Unit P of Section 28, Township 20 South, Range 38 East, NMPM. It was

completed in the Abo formation on April 15, 1996. The top of the perforations is at 7,239 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of South Dios Mano-Delaware Pool. Said South Dios Mano-Delaware Pool was discovered by the Manzano Oil Corporation S. V. Bobwhite Federal Well No. 1 located in Unit L of Section 4, Township 19 South, Range 34 East, NMPM. It was completed in the Delaware formation on February 15, 1996. The top of the perforations is at 7,809 feet.

(5) 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 North Fowler-Abo Pool. Said North Fowler-Abo Pool was discovered by the Arch Petroleum Inc. S. J. Carr Well No. 5 located in Unit N of Section 10, Township 24 South, Range 37 East, NMPM. It was completed in the Abo formation on April 1, 1996. The top of the perforations is at 6,544 feet.

(6) 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 North Johnson Ranch-Atoka Gas Pool. Said North Johnson Ranch-Atoka Gas Pool was discovered by the Enron Oil & Gas Company Jackson Unit Well No. 4 located in Unit B of Section 15, Township 24 South, Range 33 East, NMPM. It was completed in the Atoka formation on May 19, 1996. The top of the open hole interval is at 13,880 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Abo formation, said pool to bear the designation of Mid Justis-Abo Gas Pool. Said Mid Justis-Abo Gas Pool was discovered by the Arco Permian A. B. Coates C Gas Com Well No. 1 located in Unit F of Section 24, Township 25 South, Range 37 East, NMPM. It was completed in the Abo formation on November 22, 1995. The top of the perforations is at 6,220 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of Ojo Chiso-Bone Spring Pool. Said Ojo Chiso-Bone Spring Pool was discovered by the BTA Oil Producers Chiso C 8711 JV-P Well No. 1 located in Unit C of Section 23, Township 22 South, Range 34 East, NMPM. It was completed in the Bone Spring formation on March 11, 1996. The top of the perforations is at 9,324 feet.

(9) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Atoka formation, said pool to bear the designation of Vacuum-Atoka Pool. Said Vacuum-Atoka Pool was discovered by the Texaco Exploration &

Production Inc. New Mexico O State NCT-1 Well No. 38 located in Unit I of Section 36, Township 17 South, Range 34 East, NMPM. It was completed in the Atoka formation on January 4, 1996. The top of the perforations is at 11,120 feet.

(10) There is need for certain extensions to the Southwest Bronco-Wolfcamp Pool, the Cuerno Largo-Pennsylvanian Pool, the Johnson Ranch-Wolfcamp Gas Pool, the West Lovington-Strawn Pool, the Monument-Abo Pool, the Monument-Paddock Pool, the Monument-Tubb Pool, the Paddock Pool, the Rattlesnake Flat-Delaware Pool, the Red Tank-Bone Spring Pool, the East Red Tank-Bone Spring Pool, the West Red Tank-Delaware Pool, the Sand Dunes-Bone Spring Pool, the Teague-Blinbry Pool, the Vacuum-Wolfcamp Pool, the Wantz-Abo Pool, the North Young-Delaware Pool, and the South Young-San Andres 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 Bone Spring production is hereby created and designated as the East Cotton Draw-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 19: NW/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 West DK-Abo Pool, consisting of the following described area:

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

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 4: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 10: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 15: N/2

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

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 24: W/2

(g) A new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the Ojo Chiso-Bone Spring Pool, consisting of the following described area:

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

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

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 36: SE/4

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 1: NE/4

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

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 20: S/2 NE/4

(j) The Cuerno Largo-Pennsylvanian Pool in Lea County, New Mexico, as

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

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 26: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 15: S/2

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

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 28: SE/4

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 6: Lots 1, 2, 7, and 8

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

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 27: SE/4
Section 34: NE/4

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
Section 3: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 9: S/2

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 2: SE/4
Section 11: NE/4
Section 16: NW/4

(p) The Paddock 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 30: SW/4

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

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM

Section 28: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 25: NE/4

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 1: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM

Section 19: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 25: NW/4
Section 26: E/2

(u) The Sand Dunes-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 23 SOUTH, RANGE 32 EAST, NMPM
Section 7: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 2: NW/4
Section 3: NE/4

(w) The Vacuum-Wolfcamp 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 2: N/2

(x) The Wantz-Abo 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 10: S/2

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 8: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 33: 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

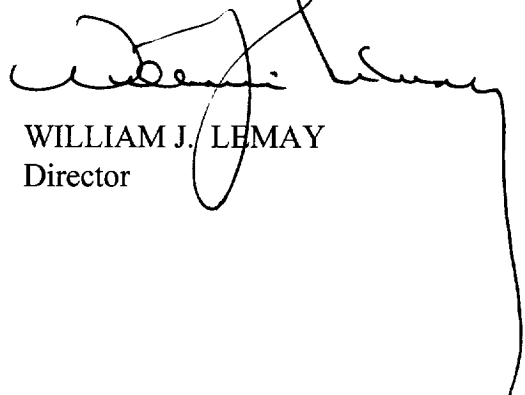
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approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file 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 September 1, 1996.

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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