

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. 12096
Order No. R-11116

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING, CONTRACTING
VERTICAL AND HORIZONTAL LIMITS, REDESIGNATING
AND EXTENDING CERTAIN POOLS IN LEA AND ROOSEVELT
COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on December 3, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of January, 1999, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (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, bearing the designation of Cam-Devonian Pool. The Cam-Devonian Pool was discovered by the UMC Petroleum Corporation Hood State Well No. 1 located in Unit F of Section 25, Township 10 South, Range 37 East, NMPM, which was completed in the Devonian formation on March 19, 1998. The top of the perforations is at 11,986 feet.
- (3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the San Andres formation, bearing the designation of Cary-San Andres Gas Pool. The Cary-San Andres Gas Pool was discovered by the Texaco Exploration & Production Inc. C. P. Falby B Federal Well No. 4 located in Unit L of Section 8,

Township 22 South, Range 37 East, NMPM, which was completed in the San Andres formation on August 20, 1997. The top of the perforations is at 3,960 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation, bearing the designation of Southeast Crossroads-Devonian Pool. The Southeast Crossroads-Devonian Pool was discovered by the Marbob Energy Corporation Lewis Fee Well No. 1 located in Unit N of Section 31, Township 9 South, Range 37 East, NMPM, which was completed in the Devonian formation on May 1, 1998. The top of the perforations is at 12,460 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Strawn formation, bearing the designation of Fairview Mills-Strawn Gas Pool. The Fairview Mills-Strawn Gas Pool was discovered by the Burlington Resources Oil & Gas Company Pitchfork 4 Federal Well No. 2 located in Unit K of Section 4, Township 25 South, Range 34 East, NMPM, which was completed in the Strawn formation on May 9, 1998. The top of the perforations is at 13,701 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Mississippian formation, bearing the designation of North Feather-Mississippian Gas Pool. The North Feather-Mississippian Gas Pool was discovered by the Yates Petroleum Corporation Pluma ASD State Com. Well No. 1 located in Unit L of Section 10, Township 15 South, Range 32 East, NMPM, which was completed in the Mississippian formation on February 7, 1998. The top of the perforations is at 12,456 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, bearing the designation of East Garrett-Abo Pool. The East Garrett-Abo Pool was discovered by the Browning Oil Company, Inc. Byers Well No. 1 located in Unit C of Section 29, Township 16 South, Range 39 East, NMPM., which was completed in the Abo formation on November 5, 1997. The top of the perforations is at 8,271 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, bearing the designation of Northwest Hare-San Andres Pool. The Northwest Hare-San Andres Pool was discovered by the Conoco Inc. Deck Estate 7 Well No. 1 located in Unit L of Section 7, Township 21 South, Range 37 East, NMPM, which was completed in the San Andres formation on April 13, 1998. The top of the perforations is at 4,018 feet.

(9) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, bearing the designation of North Hume-San Andres Pool. The North Hume-San Andres Pool was discovered by the Santa Fe Energy

Resources , Inc. Humble Hume 5 State Well No. 1 located in Unit W of Section 5, Township 16 South, Range 34 East, NMPM, which was completed in the San Andres formation on February 25, 1998. The top of the perforations is at 4,984 feet.

(10) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, bearing the designation of S.R.R.-Atoka Gas Pool. The S.R.R.-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Buffalo Wallow LA Com Well No. 1 located in Unit H of Section 21, Township 9 South, Range 32 East, NMPM, which was completed in the Atoka formation on October 21, 1997. The top of the perforations is at 11,242 feet.

(11) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, bearing the designation of Sand Springs-Abo Pool. The Sand Springs-Abo Pool was discovered by the Manzano Oil Corporation Snake Eyes State Well No. 1 located in Unit I of Section 6, Township 11 South, Range 35 East, NMPM, which was completed in the Abo formation on April 1, 1998. The top of the perforations is at 9,086 feet.

(12) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, bearing the designation of East Triste Draw-Morrow Gas Pool. The East Triste Draw-Morrow Gas Pool was discovered by the Cobra Oil & Gas Corporation State 19 Well No. 1 located in Unit G of Section 19, Township 24 South, Range 33 East, NMPM, which was completed in the Morrow formation on September 25, 1997. The top of the perforations is at 15,174 feet.

(13) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Seven Rivers formation, bearing the designation of Warren-Seven Rivers Gas Pool. The Warren-Seven Rivers Gas 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, which was completed in the Seven Rivers formation on April 18, 1998. The top of the perforations is at 3,027 feet.

(14) There is need for the contraction of the Rhodes-Yates-Seven Rivers Pool in Lea County, New Mexico, in order that the deleted acreage may be included in the Rhodes-Yates-Seven Rivers Gas Pool.

(15) There is need for the contraction of the vertical limits of the Shoe Bar-Pennsylvanian Pool in Lea County, New Mexico, to include only the Cisco, Canyon and Strawn formations and the redesignation of the pool as the Shoe Bar-Upper Pennsylvanian Pool.

(16) There is need for certain extensions to the South Bluitt-San Andres Pool and the North Bluitt-Siluro Devonian Pool, both in Roosevelt County, New Mexico; the South Cass-Strawn Pool, the DK-Abo Pool, the North Feather-Morrow Gas Pool, the Featherstone-Bone Spring Pool, the South Flying "M"-Abo Pool, the Gem-Morrow Gas Pool, the Hare-San Andres Gas Pool, the Hat Mesa-Morrow Gas Pool, the West La Rica-Morrow Gas Pool, the Northeast Lovington-Pennsylvanian Pool, the Maljamar-Queen Gas Pool, the West Midway-Upper Pennsylvanian Pool, the Monument-Abo Pool, the North Monument-Abo Pool, the Southeast Monument-Abo Pool, the Monument-Tubb Pool, the Paddock Pool, the Paduca-Delaware Pool, the Pearsall-Queen Pool, the South Quail Ridge-Bone Spring Pool, the North Quail Ridge-Morrow Gas Pool, the Querecho Plains-Delaware Pool, the Red Tank-Bone Spring Pool, the West Red Tank-Delaware Pool, the Rhodes-Yates-Seven Rivers Gas Pool, the Shoe Bar-Atoka Gas Pool, the Shoe Bar-Wolfcamp Pool, the Skaggs-Abo Gas Pool, the Skaggs-Grayburg Pool, the Tatum-Upper Pennsylvanian Pool, the Teas-Bone Spring Pool, the Townsend-Permo Upper Pennsylvanian Pool, the East Triste Draw-Atoka Gas Pool, the Triste Draw-Bone Spring Pool, the Vacuum-Wolfcamp Pool, the Wantz-Abo Pool, and the North Young-Bone Spring Pool, all in Lea County, New Mexico.

(17) The effective date of this order and all creations, contractions of vertical and horizontal limits, redesignations, and extensions included herein should be January 1, 1999.

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 Cam-Devonian Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
Section 25: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 8: SW/4

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

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 31: SW/4

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 4: S/2

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

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 10: W/2

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

TOWNSHIP 16 SOUTH, RANGE 39 EAST, NMPM
Section 29: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 7: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 5: SE/4

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

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 21: E/2

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

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM
Section 6: SE/4

(k) A new pool in Lea County, New Mexico, classified as a gas pool for Morrow production is hereby created and designated as the East Triste Draw-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 19: N/2

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

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

(m) The Rhodes-Yates-Seven Rivers Pool in Lea County, New Mexico, is hereby contracted by the deletion of the following described area:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 26: NE/4

(n) The Rhodes-Yates-Seven Rivers Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 6: NE/4
Section 23: NW/4
Section 26: NE/4

(o) The vertical limits of the Shoe Bar-Pennsylvanian Pool are hereby contracted to include only the Cisco, Canyon and Strawn formations and the pool is redesignated as the Shoe Bar-Upper Pennsylvanian Pool.

(p) The South Bluitt-San Andres Pool in Roosevelt County, New Mexico, is hereby extended to include:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 25: SW/4
Section 26: SE/4

(q) The North Bluitt-Siluro Devonian Pool in Roosevelt County, New Mexico, is hereby extended to include:

TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM
Section 27: NE/4

(r) The South Cass-Strawn Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 36: SW/4

(s) The DK-Abo Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 24: E/2

(t) The North Feather-Morrow Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 10: W/2

(u) The Featherstone-Bone Spring Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 16: S/2 and NW/4
Section 17: NE/4

(v) The South Flying "M"-Abo Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM

Section 14: NE/4

(w) The Gem-Morrow Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 28: W/2

(x) The Hare-San Andres Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 16: S/2

(y) The Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 1: Lots 3, 4, 5, 6, 11, 12, 13, and 14

Section 14: W/2

(z) The West La Rica-Morrow Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 29: SW/4

Section 32: W/2

(aa) The Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 1: Lots 9, 10, 15, and 16

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 6: Lots 2 and 7

(bb) The Maljamar-Queen Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 15: NW/4

(cc) The West Midway-Upper Pennsylvanian Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 22: NW/4

(dd) The Monument-Abo Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 5: NW/4

(ee) The North Monument-Abo Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 1: SW/4

Section 12: NW/4

(ff) The Southeast Monument-Abo Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 16: SE/4

(gg) The Monument-Tubb Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 2: W/2

Section 3: SE/4

Section 5: SE/4

Section 8: NE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 6: SW/4

(hh) The Paddock Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 22: SE/4

(ii) The Paduca-Delaware Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM
Section 9: SW/4

(jj) The Pearsall-Queen Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 6: SE/4
Section 7: NE/4

(kk) The South Quail Ridge-Bone Spring Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 28: SW/4
Section 29: SE/4
Section 33: N/2

(ll) The North Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 1 SW/4
Section 12: W/2

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 5: S/2

(mm) The Querecho Plains-Delaware Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 3: W/2

Section 4: SE/4

(nn) The Red Tank-Bone Spring Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM :

Section 14: SE/4

Section 24: SE/4

(oo) The West Red Tank-Delaware Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 23: NE/4

Section 24: W/2

Section 25: NE/4

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM

Section 30: NW/4

(pp) The Shoe Bar-Atoka Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 26: N/2

Section 27: N/2

(qq) The Shoe Bar-Wolfcamp Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 26: NW/4

(rr) The Skaggs-Abo Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 10: NE/4

(ss) The Skaggs-Grayburg Pool in Lea County, New Mexico, is hereby extended to include:

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

(tt) The Tatum-Upper Pennsylvanian Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM
Section 7: W/2 E/2

(uu) The Teas-Bone Spring Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 11: NE/4
Section 12: NW/4

(vv) The Townsend-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 29: NW/4
Section 30: N/2

(ww) The East Triste Draw-Atoka Gas Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 19: N/2

(xx) The Triste Draw-Bone Spring Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 34: SE/4

(yy) The Vacuum-Wolfcamp Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 6: NW/4

(zz) The Wantz-Abo Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 8: NE/4
Section 9: NW/4

(aaa) The North Young-Bone Spring Pool in Lea County, New Mexico, is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 17: SW/4

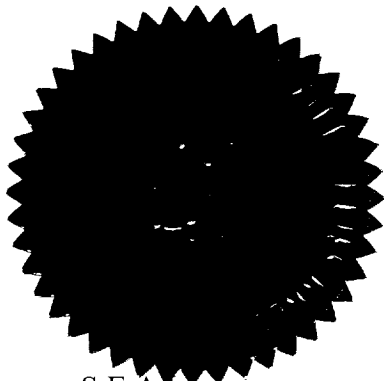
IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that 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 that 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, contractions of vertical and horizontal limits, redesignations, and extensions included herein shall be January 1, 1999.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
Lori Wrotenbery
LORI WROTENBERY
Director

fd/