

Entered September 24, 1969
AJP

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4218
Order No. R-3843

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN
POOLS IN CHAVES, EDDY, AND LEA COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 17, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 24th day of September, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Spencer-San Andres Pool. Further, that the discovery well for said pool, the Aztec Oil & Gas Company State "DS" Well No. 1, located in Unit N of said Section 24, Township 17 South, Range 36 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 24,940 barrels to be assigned over a two-year period. Said discovery well was completed in the San Andres formation on July 20, 1969. The top of the perforations is at 4988 feet.

-2-

CASE No. 4218

Order No. R-3843

(3) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Esperanza-Delaware Pool. Further, that the discovery well for said pool, the Union Oil Company of California Tracy Well No. 1, located in Unit C of Section 10, Township 22 South, Range 27 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 17,085 barrels to be assigned over a two-year period. Said discovery well was completed in the Cherry Canyon formation on August 3, 1969. The top of the perforations is at 3417 feet.

(4) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Bagley-Wolfcamp Pool. Said Bagley-Wolfcamp Pool was discovered by the Sam Boren Andover Federal Well No. 1, located in Unit M of Section 19, Township 11 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on March 31, 1969. The top of the perforations is at 8640 feet.

(5) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of South Bronco-San Andres Pool. Said South Bronco-San Andres Pool was discovered by the Signal Oil & Gas Company Lowe Land Well No. 1, located in Unit L of Section 35, Township 13 South, Range 38 East, NMPM. It was completed in the San Andres formation on June 17, 1969. The top of the perforations is at 5310 feet.

(6) That there is need for certain extensions to the Double L-Queen Pool in Chaves County, New Mexico, the Shugart Pool in Eddy County, New Mexico, the Hardy-Blinebry Pool, the Quail-Queen Pool, the Scarborough Yates-Seven Rivers Pool, and the Weir-Blinebry Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 24: SE/4 SW/4

-3-

CASE No. 4218

Order No. R-3843

(a) Continued from Page 2 -

That the discovery well for said pool, Aztec Oil & Gas Company's State "DS" Well No. 1, located in Unit N of Section 24, Township 17 South, Range 36 East, NMPM, is hereby authorized an oil discovery allowable of 24,940 barrels to be assigned to said well at the rate of 35 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

(b) That a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production, is hereby created and designated as the Esperanza-Delaware Pool, consisting of the following-described area:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 10: NE/4 NW/4

That the discovery well for said pool, Union Oil Company of California's Tracy Well No. 1, located in Unit C of Section 10, Township 22 South, Range 27 East, NMPM, is hereby authorized an oil discovery allowable of 17,085 barrels to be assigned to said well at the rate of 24 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

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

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 19: SW/4

(d) That a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production, is hereby created and designated as the South Bronco-San Andres Pool, consisting of the following-described area:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 35: SW/4

(e) That the Double L-Queen Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
Section 36: SW/4 NE/4 and N/2 SE/4

-4-

CASE No. 4218
Order No. R-3843

(e) Continued from Page 3 -

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 31: S/2 NW/4 and N/2 SW/4

(f) That the Hardy-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 2: NE/4

(g) That the Quail-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 11: W/2

(h) That the Scarborough Yates-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 25: NE/4

(i) That the Shugart Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 23: SW/4 NW/4

(j) That the Weir-Blinebry 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 10: NE/4

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue

-5-

CASE No. 4218

Order No. R-3843

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 Commission. 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 Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations and extensions included herein shall be October 1, 1969.

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

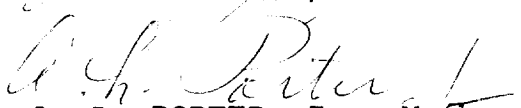
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



DAVID F. CARGO, Chairman



ALEX J. ARMIJO, Member



A. L. PORTER, Jr., Member & Secretary

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