

Entered May 24, 1972
A.J.P.

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. 4724
Order No. R-4304

THE APPLICATION OF THE OIL
CONSERVATION COMMISSION UPON
ITS OWN MOTION FOR AN ORDER
CREATING, ABOLISHING, CONTRACTING,
AND EXTENDING VERTICAL AND HORI-
ZONTAL LIMITS OF CERTAIN POOLS
IN CHAVES, EDDY, LEA, AND
ROOSEVELT COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on May 17, 1972, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of May, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 gas pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of South Empire-Morrow Gas Pool. Said South Empire-Morrow Gas Pool was discovered by the Midwest Oil Corporation South Empire Deep Unit Well No. 1, located in Unit F of Section 6, Township 18 South, Range 29 East, NMPM. It was completed in the Morrow formation on November 29, 1971. The top of the perforations is at 10,716 feet.
- (3) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of Humble City-Strawn Pool. Said Humble City-Strawn Pool was discovered by the Harding Oil & Gas Company Shipp Well No. 1, located in Unit K of Section 11, Township 17 South, Range 37 East, NMPM. It was completed in the Strawn formation on March 10, 1972. The top of the perforations is at 11,429 feet.

(4) That there is need for the creation of a new oil pool in Chaves County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of Many Gates-Abo Pool. Said Many Gates-Abo Pool was discovered by the Jack Phillips Isler Federal Well No. 1, located in Unit A of Section 31, Township 9 South, Range 30 East, NMPM. It was completed in the Abo formation on February 20, 1972. The top of the perforations is at 7,248 feet.

(5) That there is need for the creation of a new gas pool in Roosevelt County, New Mexico, for the production of gas from the Pennsylvanian formation, said pool to bear the designation of Peterson-Pennsylvanian Gas Pool. Said Peterson-Pennsylvanian Gas Pool was discovered by the Amoco Production Company Peterson "A" Gas Com Well No. 1, located in Unit B of Section 19, Township 5 South, Range 33 East, NMPM. It was completed in the Pennsylvanian formation on August 23, 1971. The top of the perforations is at 7,632 feet.

(6) That there is need for the consolidation of the Loco Hills-Queen Pool, the Sand Tank-Queen Pool, and the Loco Hills Grayburg-San Andres Pool, all in Eddy County, New Mexico, to allow marginal pools to be produced in a more economical manner. Said consolidation to be accomplished by abolishing the Loco Hills-Queen Pool and the Sand Tank-Queen Pool and extending the vertical limits of the Loco Hills Grayburg-San Andres Pool to include the Queen formation. The consolidated Pool to be designated as the Loco Hills Queen-Grayburg-San Andres Pool.

(7) That there is need for the consolidation of the Terry-Blinebry Pool and the Blinebry Oil Pool inasmuch as both pools produce from a common source of supply. Said consolidation to be accomplished by abolishing the Terry-Blinebry Pool and extending the Blinebry Oil Pool.

(8) That there is need for the contraction of the Bagley-Lower Pennsylvanian Gas Pool in Lea County, New Mexico, by the deletion of certain acreage in order to delete non-productive acreage which overlaps with the Vada-Pennsylvanian Pool.

(9) That there is need for the contraction of the Bagley-Upper Pennsylvanian Gas Pool in Lea County, New Mexico, by the deletion of certain acreage in order to delete non-productive acreage which overlaps with the Vada-Pennsylvanian Pool.

(10) That there is need for the contraction of the Bagley-Pennsylvanian Pool in Lea County, New Mexico, by the deletion of certain acreage in order to delete non-productive acreage which overlaps with the Vada-Pennsylvanian Pool.

(11) That there is need for certain extensions to the Double L-Queen Associated Pool and the Round Tank-Queen Pool, both in Chaves County, New Mexico, the Atoka-Pennsylvanian Gas

-3-

CASE NO. 4724

Order No. R-4304

Pool, and the Boyd-Morrow Gas Pool, all in Eddy County, New Mexico, the Allison-Abo Pool, the North Bagley-Pennsylvanian Pool, the Chambers-Wolfcamp Pool, the Dollarhide-Devonian Pool, the Dollarhide-Ellenburger Pool, the Garrett-Drinkard Pool, the Jennings-Delaware Pool, the West Sawyer-San Andres Pool, the Townsend-Morrow Gas Pool, the North Vacuum-Abo Pool, and the Osudo-Devonian Gas Pool, all in Lea County, New Mexico. Further, that the proposed extension to the Washington Ranch-Morrow Gas Pool should be dismissed inasmuch as it is to be considered in Case No. 4723.

IT IS THEREFORE ORDERED:

(a) That a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production, is hereby created and designated as the South Empire-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 6: N/2

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 11: SW/4

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

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 31: NE/4

(d) That a new pool in Roosevelt County, New Mexico, classified as a gas pool for Pennsylvanian production, is hereby created and designated as the Peterson-Pennsylvanian Gas Pool, consisting of the following described area:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 19: All

(e) That the Loco Hills-Queen Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 29: SW/4
Section 31: SE/4 NE/4 and NE/4 SE/4
Section 32: NW/4

is hereby abolished.

-4-

CASE NO. 4724
Order No. R-4304

(f) That the Sand Tank-Queen Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 7: NE/4 SE/4

is hereby abolished.

(g) That the vertical limits of the Loco Hills Grayburg-San Andres Pool in Eddy County, New Mexico, are hereby extended to include the Queen formation and redesignate said pool as the Loco Hills Queen-Grayburg-San Andres Pool.

(h) That the Terry-Blinebry Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 32: SE/4
Section 33: S/2 and NE/4
Section 34: S/2 and NW/4
Section 35: S/2
Section 36: W/2

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 1: Lots 4, 5, 9, 10, 11, 12,
13, 14, 15, 16, and S/2
Section 2: All
Section 3: Lots 1, 2, 3, 4, 5, 6, 7,
8, 9, and 16
Section 4: Lots 1, 3, 4, 5, 6, 8, 11,
12, 13, 14, and 15
Section 11: E/2 and NW/4
Section 12: All
Section 13: All
Section 14: E/2
Section 24: All

is hereby abolished.

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 32: SE/4
Section 33: S/2 and NE/4
Section 34: S/2 and NW/4
Section 35: S/2
Section 36: W/2

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 25: NE/4
Section 36: W/2

-5-

CASE NO. 4724

Order No. R-4304

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 1: Lots 4, 5, 9, 10, 11, 12,
13, 14, 15, 16, and S/2
Section 2: All
Section 3: Lots 1, 2, 3, 4, 5, 6, 7,
8, 9, and 16
Section 4: Lots 1, 3, 4, 5, 6, 8, 11,
12, 13, 14, and 15
Section 11: E/2 and NW/4
Section 12: All
Section 13: All
Section 14: E/2
Section 24: All
Section 30: NW/4

(j) That the Bagley-Lower Pennsylvanian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 33: SE/4
Section 34: W/2 SW/4

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

(k) That the Bagley-Upper Pennsylvanian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 33: N/2 and SE/4
Section 34: W/2 and SE/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 3: SE/4
Section 4: N/2
Section 5: N/2 and SW/4
Section 10: NE/4

(l) That the Bagley-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: N/2 NE/4 and W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 3: S/2 SW/4
Section 4: S/2
Section 5: S/2

-6-

CASE NO. 4724
Order No. R-4304

(m) That the North Bagley-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 34: N/2 NE/4 and W/2 SW/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 3: S/2 SW/4

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

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
Section 11: SW/4

(o) That the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 11: All

(p) That the Boyd-Morrow Gas 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 8: E/2
Section 9: All

(q) That the Chambers-Wolfcamp 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 35: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
Section 30: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
Section 31: E/2

-7-

CASE NO. 4724
Order No. R-4304

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

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 1: NW/4 NE/4
Section 12: E/2 NW/4

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

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 21: SE/4
Section 28: NE/4

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

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

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

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 24: SE/4

(x) That the West Sawyer-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 27: SE/4

(y) That the Townsend-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 9: W/2 and SE/4
Section 10: S/2
Section 15: E/2

(z) That the North Vacuum-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 21: SE/4
Section 22: SW/4
Section 28: NW/4
Section 34: NW/4

-8-

CASE NO. 4724
Order No. R-4304

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 19: NE/4

(aa) That the proposed extension to the Washington Ranch-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 24 EAST, NMPM
Section 35: W/2

is hereby dismissed.

(bb) That the Osudo-Devonian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
Section 31: E/2

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 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, abolishments, contractions, and extensions of vertical and horizontal limits included herein shall be June 1, 1972, with the exception of paragraphs (h) and (i) which shall be effective August 1, 1972.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King
BRUCE KING, Chairman

Alex J. Armito
ALEX J. ARMITO, Member

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

S E A L

dr/