

*Entered June 18, 1974
A.L.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. 5254
Order No. R-4809

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on June 5, 1974,
at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 18th day of June, 1974, 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 Forty
Niner Ridge-Morrow Gas Pool. Said Forty Niner Ridge-Morrow Gas
Pool was discovered by the Skelly Oil Company Forty Niner Ridge
Unit Well No. 1, located in Unit J of Section 16, Township 23
South, Range 30 East, NMPM. It was completed in the Morrow
formation on December 19, 1973. The top of the perforations is
at 13,914 feet.

(3) 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 Kennedy
Farms-Morrow Gas Pool. Said Kennedy Farms-Morrow Gas Pool was
discovered by the Hanson Oil Corporation Kennedy Farms Com Well
No. 1, located in Unit F of Section 34, Township 17 South, Range
26 East, NMPM. It was completed in the Morrow formation on
November 27, 1973. The top of the perforations is at 8629 feet.

(4) That there is need for the creation of a new gas pool
in Eddy County, New Mexico, for the production of gas from the
Wolfcamp formation, said pool to bear the designation of

Logan Draw-Wolfcamp Gas Pool. Said Logan Draw-Wolfcamp Gas Pool was discovered by the Amoco Production Company Arco Federal Gas Com Well No. 1, located in Unit L of Section 26, Township 17 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on March 15, 1974. The top of the perforations is at 6582 feet.

(5) 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 Los Medanos-Morrow Gas Pool. Said Los Medanos-Morrow Gas Pool was discovered by the Belco Petroleum Corporation James Ranch Unit Well No. 3, located in Unit J of Section 1, Township 23 South, Range 30 East, NMPM. It was completed in the Morrow formation on March 7, 1972. The top of the perforations is at 13,682 feet.

(6) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Los Medanos-Strawn Gas Pool. Said Los Medanos-Strawn Gas Pool was discovered by the Belco Petroleum Corporation James Ranch Unit Well No. 3, located in Unit J of Section 1, Township 23 South, Range 30 East, NMPM. It was completed in the Strawn formation on December 8, 1972. The top of the perforations is at 12,731 feet.

(7) That the proposed creation of a new pool in Section 2, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, for the production of gas from the Morrow formation should be dismissed because of an error in advertising.

(8) 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 Quahada Ridge-Morrow Gas Pool. Said Quahada Ridge-Morrow Gas Pool was discovered by the Perry R. Bass Big Eddy Unit Well No. 38, located in Unit C of Section 34, Township 21 South, Range 29 East, NMPM. It was completed in the Morrow formation on March 6, 1974. The top of the perforations is at 13,068 feet.

(9) That there is need for the consolidation of the Chambers-Wolfcamp Pool and the Townsend-Wolfcamp Pool, both in Lea County, New Mexico, inasmuch as both pools are producing from a common reservoir. Such consolidation to be accomplished by abolishing the Chambers-Wolfcamp Pool and extending the Townsend-Wolfcamp Pool.

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(10) That there is need for the abolishment of the Chambers-Wolfcamp Pool in Lea County, New Mexico, because it is producing from the same zone and is contiguous with the Townsend-Wolfcamp Pool. The abolished acreage will be placed in the Townsend-Wolfcamp Pool.

(11) That there is need for certain extensions to the Grayburg-Morrow Gas Pool in Eddy County, New Mexico, the Antelope Ridge-Morrow Gas Pool, the Hare-San Andres Gas Pool, the Humble City-Strawn Pool, the Sawyer-San Andres Gas Pool, the North Shoebar-Wolfcamp Pool, the Townsend-Morrow Gas Pool, all in Lea County, New Mexico.

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 Forty Niner Ridge-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 16: S/2

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 34: N/2

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 26: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 1: E/2

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 6: W/2

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

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 1: E/2

(f) That the proposed creation of a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Malaga-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 1: W/2

is hereby dismissed.

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

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 34: N/2

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

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 26: SW/4
Section 35: N/2 and SW/4

is hereby abolished.

(i) That the Townsend-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 26: SW/4
Section 35: N/2 and SW/4

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

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 11: N/2

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 15: SE/4
Section 22: E/2 NE/4, SW/4 NE/4 and
NE/4 SE/4

(l) That the Hare-San Andres Gas 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 27: W/2
Section 28: S/2

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 15: NE/4

(n) That the Sawyer-San Andres Gas 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 24: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 7: SE/4

(p) 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 14: All

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

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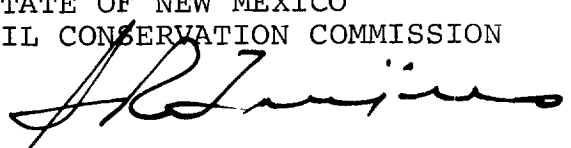
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which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Commission. Pending 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.

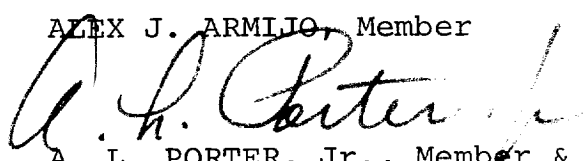
(2) That the effective date of this order and all creations, abolishments, and extensions included herein shall be July 1, 1974.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

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