

Entered July 16, 1974
R.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. 5274
Order No. R-4821

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING, ABOLISHING, 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 9:00 a.m. on July 10, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of July, 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 Wolfcamp formation, said pool to bear the designation of Black River-Wolfcamp Gas Pool. Said Black River-Wolfcamp Gas Pool was discovered by the Amoco Production Company Herren Federal Gas Com Well No. 1, located in Unit K of Section 7, Township 24 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on April 3, 1974. The top of the perforations is at 10,026 feet.

(3) That there is need for the creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Cooper-Morrow Gas Pool. Said Cooper-Morrow Gas Pool was discovered by the El Paso Natural Gas Company Cooper Federal Well No. 1, located in Unit F of Section 21, Township 24 South, Range 36 East, NMPM. It was completed in the Morrow formation on April 24, 1974. The top of the perforations is at 11,452 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 Morrow formation, said pool to bear the designation of Malaga-Morrow

Gas Pool. Said Malaga-Morrow Gas Pool was discovered by the Phillips Petroleum Company Malaga A Well No. 1, located in Unit L of Section 2, Township 24 South, Range 28 East, NMPM. It was completed in the Morrow formation on March 3, 1974. The top of the perforations is at 12,310 feet.

(5) That there is need for the creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Bell Lake-Atoka Gas Pool with a provision for 160-acre spacing units. Said Bell Lake-Atoka Gas Pool was discovered by the Continental Oil Company Bell Lake Unit Well No. 2, located in Unit N of Section 30, Township 23 South, Range 34 East, NMPM. It was completed in the Atoka formation on October 30, 1954. The top of the perforations is at 12,469 feet.

(6) That there is need for the creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Atoka Pennsylvanian formation, said pool to bear the designation of South Bell Lake-Atoka Gas Pool. Said South Bell Lake-Atoka Gas Pool was discovered by the Continental Oil Company Bell Lake Unit 1 Well No. 4, located in Unit F of Section 6, Township 24 South, Range 34 East, NMPM. It was completed in the Atoka Pennsylvanian formation on July 6, 1973. The top of the perforations is at 12,450 feet.

(7) That there is need for the creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of South Bell Lake-Morrow Gas Pool with a provision for 160-acre spacing units. Said South Bell Lake-Morrow Gas Pool was discovered by the Continental Oil Company Bell Lake State 3 Well No. 5, located in Unit G of Section 1, Township 24 South, Range 33 East, NMPM. It was completed in the Morrow Sand formation on October 3, 1958. The top of the perforations is at 14,417 feet.

(8) That there is need for the abolishment of the Bell Lake-Pennsylvanian Gas Pool in Lea County, New Mexico, which produces from the Atoka and Morrow formations in order to create three separate Atoka and Morrow gas pools from the abolished acreage.

(9) That there is need for certain extensions to the Twin Lakes-San Andres Pool in Chaves County, New Mexico, the Black River-Pennsylvanian Gas Pool, the Burton Flat-Morrow Gas Pool, the Cabin Lake-Strawn Pool, the Cemetary-Morrow Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the Eagle Creek-San Andres Pool, the Loco Hills Queen Grayburg-San Andres Pool, the Red Lake-Pennsylvanian Gas Pool, and the Rocky Arroyo-Canyon Gas Pool, all in Eddy County, New Mexico, the North Bagley-Pennsylvanian Pool, the Hat Mesa-Morrow Gas Pool, the Townsend-Strawn Pool, the North Vacuum-Abo Pool, and the Vada-Pennsylvanian Pool, all in Lea County, New Mexico.

-3-

Case No. 5274
Order No. R-4821

IT IS THEREFORE ORDERED:

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

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM
Section 7: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 21: N/2

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

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

(d) That the Bell Lake-Pennsylvanian Gas Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 36: SE/4

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 30: All
Section 31: All

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 1: NE/4

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 6: NW/4

is hereby abolished.

(e) That a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production with a provision for 160-acre spacing units, is hereby created and designated as the Bell Lake-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 30: SW/4

-4-

Case No. 5274

Order No. R-4821

(f) That a new pool in Lea County, New Mexico, classified as a gas pool for Atoka Pennsylvanian production, is hereby created and designated as the South Bell Lake-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 6: W/2

(g) That a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production with a provision for 160-acre spacing units, is hereby created and designated as the South Bell Lake-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 36: SE/4

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 31: SW/4

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 1: NE/4

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

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 6: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 12: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 27: N/2

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 11: W/2 NE/4

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 8: All

(m) That the North Dagger Draw-Upper Pennsylvanian 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 17: N/2

(n) That the Eagle Creek-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 13: W/2 SW/4
Section 28: SW/4
Section 29: S/2

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 10: E/2
Section 11: W/2

(p) That the Loco Hills Queen Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 23: NE/4 NE/4

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

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 18: N/2

(r) That the Rocky Arroyo-Canyon Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 4: S/2
Section 5: S/2

-6-

Case No. 5274

Order No. R-4821

(s) That the Townsend-Strawn 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: N/2 and SE/4

(t) That the Twin Lakes-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 36: SW/4 SE/4

(u) 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 16: SE/4

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

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 11: NW/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 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, and extensions included herein shall be August 1, 1974.

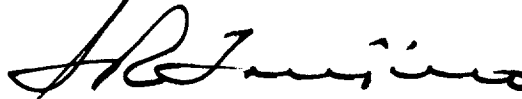
-7-

Case No. 5274


Order No. R-4821

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

S E A L

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