

Entered January 24, 1975
R.L.R.

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. 5379
Order No. R-4937

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING 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 January 8, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of January, 1975, 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 oil pool in Lea County, New Mexico, for the production of oil from the Paddock formation, said pool to bear the designation of Spencer-Paddock Pool. Said Spencer-Paddock Pool was discovered by the Aztec Oil & Gas Company State DS Well No. 3, located in Unit J of Section 24, Township 17 South, Range 36 East, NMPM. It was completed in the Paddock formation on September 20, 1974. The top of the perforations is at 6614 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 Wolfcamp formation, said pool to bear the designation of Avalon-Wolfcamp Gas Pool. Said Avalon-Wolfcamp Gas Pool was discovered by the Hanagan Petroleum Corporation Ocotillo Hills Well No. 1, located in Unit F of Section 21, Township 21 South, Range 26 East, NMPM. It was completed in the Wolfcamp formation on June 24, 1974. The top of the perforations is at 8948 feet.

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(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 Corral Draw-Morrow Gas Pool. Said Corral Draw-Morrow Gas Pool was discovered by the Mobil Oil Corporation Corral Draw Unit Well No. 1, located in Unit K of Section 14, Township 25 South, Range 29 East, NMPM. It was completed in the Morrow formation on July 22, 1974. The top of the perforations is at 13,621 feet.

(5) That there is need for certain extensions to the West Atoka-Morrow Gas Pool, the Burton Flat-Morrow Gas Pool, the Cemetary-Morrow Gas Pool, the Eagle Creek-San Andres Pool, the East Empire Yates-Seven Rivers Pool, the Grayburg Jackson Pool, the Grayburg-Morrow Gas Pool, the Kennedy Farms-Morrow Gas Pool, the Red Lake Queen Grayburg-San Andres Pool, the Sand Dunes-Cherry Canyon Pool, the Shugart Yates Seven Rivers Queen-Grayburg Pool, and the Winchester-Morrow Gas Pool, all in Eddy County, New Mexico, the North Bagley-Pennsylvanian Pool, the Hobbs-Paddock Pool, the Leamex-Pennsylvanian Pool, the East Lusk-Wolfcamp Pool, the South Salt Lake-Morrow Gas Pool, the Skaggs-Drinkard Pool, the Wantz-Granite Wash Pool, and the Warren-Drinkard 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 Paddock production, is hereby created and designated as the Spencer-Paddock Pool, consisting of the following described area:

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

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 21: NW/4

(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 Corral Draw-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 14: S/2

(d) 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: S/2

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

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 32: NE/4
Section 33: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 22: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 16: SE/4

(h) That the South Salt Lake-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 4: Lots 1, 2, 7, and 8

(i) That the Skaggs-Drinkard 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 1: E/2

(j) That the Wantz-Granite Wash Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 1: SE/4
Section 12: SE/4

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(k) That the Warren-Drinkard 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 27: W/2 SE/4

(l) That the West Atoka-Morrow Gas 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 35: S/2

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 7: S/2

(m) 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 21 SOUTH, RANGE 26 EAST, NMPM
Section 1: Lots 1 through 8

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 12: W/2

(n) 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 5: N/2

(o) 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: S/2 NW/4 and W/2 SE/4
Section 15: N/2 SW/4

(p) That the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 28: SW/4 SE/4 and SE/4 SW/4

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

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 8: S/2 SW/4

(r) 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 33: N/2

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 27: S/2

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 24: S/2 NW/4

(u) That the Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 26: E/2 NE/4

(v) That the Shugart Yates Seven Rivers Queen-Grayburg 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: SE/4 NW/4

(w) That the Winchester-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 1: W/2

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953,

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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 and extensions included herein shall be February 1, 1975.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman


PHIL R. LUCERO, Member


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

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