

*Entered May 28, 1975
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. 5484
Order No. R-5015

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING, ESTABLISHING DISCOVERY
ALLOWABLES, AND EXTENDING VERTICAL AND
HORIZONTAL LIMITS OF 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 May 14, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of May, 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 gas pool in Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of East Carlsbad-Wolfcamp Gas Pool. Said East Carlsbad-Wolfcamp Gas Pool was discovered by the Champlin Petroleum Company Nix-Yates Well No. 1, located in Unit G of Section 2, Township 22 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on July 27, 1974. The top of the perforations is at 9714 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 Cemetary-Wolfcamp Gas Pool. Said Cemetary-Wolfcamp Gas Pool was discovered by the Read & Stevens, Inc. Allirish Well No. 1, located in Unit P of Section 30, Township 20 South, Range 25 East, NMPM. It was completed in the Wolfcamp formation on November 20, 1974. The top of the perforations is at 7000 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 Strawn formation, said pool to bear the designation of Crooked Creek-Strawn Gas Pool. Said Crooked Creek-Strawn Gas Pool was discovered by the C & K Petroleum, Inc. Lowe State Well No. 1, located in Unit C of Section 16, Township 24 South, Range 24 East, NMPM. It was completed in the Strawn formation on September 29, 1973. The top of the perforations is at 8361 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 Dickenson-San Andres Pool. Said Dickenson-San Andres Pool was discovered by the Hanson Oil Corporation Santa Fe Well No. 1, located in Unit F of Section 35, Township 10 South, Range 36 East, NMPM. It was completed in the San Andres formation on January 20, 1975. The top of the perforations is at 4996 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 Atoka formation, said pool to bear the designation of Golden Lane-Atoka Gas Pool. Said Golden Lane-Atoka Gas Pool was discovered by the Meadco Properties, Ltd. Harris 6 Well No. 1, located in Unit I of Section 6, Township 21 South, Range 29 East, NMPM. It was completed in the Atoka formation on February 19, 1975. The top of the perforations is at 11,438 feet.

(7) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Grayburg-Atoka Gas Pool. Said Grayburg-Atoka Gas Pool was discovered by the Horizon Oil & Gas Company of Texas State 28 Com. Well No. 2, located in Unit K of Section 28, Township 17 South, Range 29 East, NMPM. It was completed in the Atoka formation on August 16, 1973. The top of the perforations is at 10,327 feet.

(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 Premier formation, said pool to bear the designation of High Nitro-Premier Gas Pool. Said High Nitro-Premier Gas Pool was discovered by the McClellan Oil Corporation Hinkle Federal Well No. 1, located in Unit A of Section 9, Township 16 South, Range 29 East, NMPM. It was completed in the Premier formation on April 5, 1973. The top of the perforations is at 2362 feet.

(9) 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 Hoag Tank-Morrow Gas Pool. Said Hoag Tank-Morrow Gas Pool was

discovered by the Yates Petroleum Corporation Allison CQ Federal Well No. 1, located in Unit P of Section 22, Township 19 South, Range 24 East, NMPM. It was completed in the Morrow formation on February 5, 1974. The top of the perforations is at 8795 feet.

(10) 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 Northwest Indian Basin-Morrow Gas Pool. Said Northwest Indian Basin-Morrow Gas Pool was discovered by the Charles A. Dean Northwest Indian Basin Well No. 1-Y, located in Unit K of Section 28, Township 20 South, Range 23 East, NMPM. It was completed in the Morrow formation on October 25, 1973. The top of the perforations is at 8747 feet.

(11) That there is need for the creation of a new oil pool in Chaves County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Lonesome-San Andres Pool. Said Lonesome-San Andres Pool was discovered by the Phillips Petroleum Company Luther A Well No. 1, located in Unit N of Section 18, Township 8 South, Range 32 East, NMPM. It was completed in the San Andres formation on February 3, 1975. The top of the perforations is at 4118 feet.

(12) 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 South Rocky Arroyo-Wolfcamp Gas Pool. Said South Rocky Arroyo-Wolfcamp Gas Pool was discovered by the El Paso Natural Gas Company Patterson A Well No. 1, located in Unit N of Section 20, Township 22 South, Range 22 East, NMPM. It was completed in the Wolfcamp formation on November 8, 1973. The top of the perforations is at 5764 feet.

(13) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Sheep Draw-Atoka Gas Pool. Said Sheep Draw-Atoka Gas Pool was discovered by the Hanagan Petroleum Corporation Mary Federal Well No. 1, located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. It was completed in the Atoka formation on October 30, 1973. The top of the perforations is at 10,556 feet.

(14) That the proposed 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 Sheep Draw-Morrow Gas Pool, should be dismissed pending further study. The aforesaid proposed Sheep Draw Morrow Gas Pool was discovered by the Hanagan Petroleum Corporation Mary Federal Well No. 1, located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. It was completed

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in the Morrow formation on August 22, 1973. The top of the perforations is at 11,363 feet.

(15) That there is need for the establishment of a discovery allowable in the West Knowles-Drinkard Pool in Lea County, New Mexico, and for the assignment of 41,650 barrels of discovery allowable to the discovery well, Mesa Petroleum Company West Knowles Well No. 1, located in Unit P of Section 34, Township 16 South, Range 37 East, NMPM. Said West Knowles-Drinkard Pool was created and designated by Order No. R-5029, dated May 22, 1975.

(16) That there is need for the establishment of a discovery allowable in the Casey-Strawn Pool in Lea County, New Mexico, and for the assignment of 56,630 barrels of discovery allowable to the discovery well, the C & K Petroleum, Inc. Shipp "27" Well No. 1, located in Unit O of Section 27, Township 16 South, Range 37 East, NMPM. Said Casey-Strawn Pool was created and designated by Order No. R-4992, dated April 1, 1975.

(17) That there is need for the extension of the vertical limits of the Sand Hills-San Andres Pool in Lea County, New Mexico, to include the Grayburg formation and redesignate said Sand Hills-San Andres Pool as the Sand Hills Grayburg-San Andres Pool.

(18) That there is need for certain extensions to the Buffalo Valley-Pennsylvanian Gas Pool, the East Chisum-San Andres Pool, the Double L-Queen Associated Pool, the Round Tank-San Andres Pool, and the Sulimar-Queen Pool, all in Chaves County, New Mexico, the Atoka-Pennsylvanian Gas Pool, the North Benson Queen-Grayburg Pool, the Burton Flat-Morrow Gas Pool, the South Carlsbad-Atoka Gas Pool, the South Carlsbad-Morrow Gas Pool, the East Empire Yates-Seven Rivers Pool, the Kennedy Farms-Morrow Gas Pool, the Penasco Draw San Andres-Yeso Pool, the Rock Tank-Lower Morrow Gas Pool, and the Turkey Track Queen-Grayburg Pool, all in Eddy County, New Mexico, the Blinebry Oil and Gas Pool, the Cerca-Upper Pennsylvanian Pool, the Double X-Delaware Pool, the Drinkard Pool, the Ranger Lake-Bough Pool, and the Tres Papalotes-Pennsylvanian 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 Wolfcamp production, is hereby created and designated as the East Carlsbad-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 36: SW/4

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 1: NW/4

Section 2: NE/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 Cemetary-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 30: SE/4

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

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM

Section 16: N/2

(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 Dickenson-San Andres Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM

Section 35: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM

Section 6: Lots 1, 2, 7, 8, 9, 10,
15, and 16

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 28: S/2

Section 29: E/2

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

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM

Section 3: SW/4

Section 4: SE/4

Section 9: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 22: E/2

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

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM
Section 28: W/2

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 18: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 20: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 11: E/2

(m) 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 Sheep Draw-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 11: E/2
Section 12: W/2

is hereby dismissed pending further study.

(n) That a discovery allowable in the Shipp-Drinkard Pool in Lea County, New Mexico, is hereby established and 41,650 barrels of discovery allowable is hereby assigned to the discovery well, the Mesa Petroleum Company West Knowles Well No. 1, located in Unit P of Section 34, Township 16 South, Range 37 East, NMPM.

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(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 2: All

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

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 32: N/2 NE/4

(q) That the Blinebry Oil and Gas 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: SE/4

(r) That the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 3: N/2

(s) 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 27 EAST, NMPM
Section 18: N/2

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 3: W/2
Section 11: All

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 8: All
Section 17: N/2

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 16: S/2

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TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 1: W/2

(v) That a discovery allowable in the Casey-Strawn Pool in Lea County, New Mexico, is hereby established and 56,630 barrels of discovery allowable is hereby assigned to the discovery well, the C & K Petroleum, Inc. Shipp "27" Well No. 1, located in Unit O of Section 27, Township 16 South, Range 37 East, NMPM.

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

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 27: S/2 and NE/4

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

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM
Section 16: NE/4 NE/4

(y) 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 14 SOUTH, RANGE 29 EAST, NMPM
Section 23: NE/4

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 32: N/2 and SW/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 17: N/2

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

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 27: NE/4

(aa) That the Drinkard 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 36: SW/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 31: NW/4

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(bb) 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 34: W/2 NE/4

(cc) 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 22: E/2
Section 23: W/2

(dd) That the Penasco Draw San Andres-Yeso 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 30: NW/4 SW/4

(ee) That the Ranger Lake-Bough Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 23: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 18: All

(gg) That the Round Tank-San Andres 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 31: NW/4 NW/4

(hh) That the vertical limits of the Sand Hills-San Andres Pool in Lea County, New Mexico, are hereby extended to include the Grayburg formation and said Sand Hills-San Andres Pool is hereby redesignated the Sand Hills Grayburg-San Andres Pool.

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

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 18: SW/4 SW/4

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

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 5: SW/4

(kk) That the Turkey Track Queen-Grayburg 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 32: NE/4 NE/4

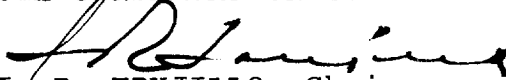
IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue 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, establishments of discovery allowables, and extensions of vertical and horizontal limits included herein shall be June 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

S E A L
jr/

