

Entered September 30, 1975
JOR

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. 5554
Order No. R-5102

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING 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 September 10, 1975, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of September, 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 Upper Pennsylvanian formation, said pool to bear the designation of North Avalon-Upper Pennsylvanian Gas Pool. Said North Avalon-Upper Pennsylvanian Gas Pool was discovered by the David Fasken El Paso 2 Federal Well No. 2, located in Unit M of Section 2, Township 21 South, Range 26 East, NMPM. It was completed in the Upper Pennsylvanian formation on March 7, 1974. The top of the perforations is at 9515 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 Brinninstool-Morrow Gas Pool. Said Brinninstool-Morrow Gas Pool was discovered by the American Quasar Petroleum Company of New Mexico Brinninstool Well No. 1, located in Unit G of Section 20, Township 23 South, Range 33 East, NMPM. It was completed in the Morrow formation on June 17, 1975. The top of the perforations is at 15,586 feet.

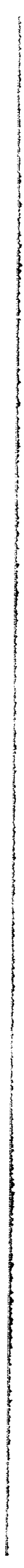
(4) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of North Burton Flat-Atoka Gas Pool. Said North Burton Flat-Atoka Gas Pool was discovered by the Cities Service Oil Company Government AC Well No. 1, located in Unit N of Section 15, Township 20 South, Range 28 East, NMPM. It was completed in the Atoka formation on April 7, 1975. The top of the perforations is at 10,589 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 West Four Mile Draw-Morrow Gas Pool. Said West Four Mile Draw-Morrow Gas Pool was discovered by Samedan Oil Corporation Fanning Well No. 1, located in Unit K of Section 4, Township 19 South, Range 26 East, NMPM. It was completed in the Morrow formation on November 14, 1973. The top of the perforations is at 9,207 feet.

(6) That there is need for the creation of a new gas pool in Roosevelt County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of South Prairie-Morrow Gas Pool. Said South Prairie-Morrow Gas Pool was discovered by Carroll Neely Lone Star Federal Well No. 1, located in Unit A of Section 20, Township 8 South, Range 36 East, NMPM. It was completed in the Morrow formation on May 1, 1975. The top of the perforations is at 12,018 feet.

(7) 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 Young-Strawn Pool. Said Young-Strawn Pool was discovered by the Atlantic Richfield Company Young Federal Well No. 1, located in Unit G of Section 20, Township 18 South, Range 32 East, NMPM. It was completed in the Strawn formation on July 18, 1975. The top of the perforations is at 11,540 feet.

(8) That there is need for certain extensions to the Double L-Queen Associated Pool in Chaves County, New Mexico, the Avalon-Morrow Gas Pool, the Kennedy Farms-Atoka Gas Pool, the Kennedy Farms-Morrow Gas Pool, and the Red Lake-Pennsylvanian Gas Pool, all in Eddy County, New Mexico, the Antelope Ridge-Morrow Gas Pool, the North Bagley-Pennsylvanian Pool, the Drinkard Pool, the EK-Bone Springs Pool, the South Flying M-Atoka Gas Pool, the Gladiola-Wolfcamp Pool, the West Knowles-Drinkard Pool, the Langlie Mattix Pool, the Townsend-Wolfcamp Pool, the North Vacuum-Abo Pool, and the Wantz-Granite Wash Pool, all in Lea County, New Mexico.



-3-

Case No. 5554
Order No. R-5102

IT IS THEREFORE ORDERED:

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 2: Lots 11, 12, 13, 14 & 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 Brinninstool-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 20: E/2

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 15: S/2

(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 West Four Mile Draw-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM
Section 4: S/2

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

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 20: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 20: NE/4

-4-

Case No. 5554

Order No. R-5102

(g) 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 2: N/2

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 31: S/2

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 2: Lots 11, 12, 13, 14 & SW/4
Section 3: S/2

(i) 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 32 EAST, NMPM
Section 36: SE/4

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 7: N/2 & SE/4

(j) 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 30 EAST, NMPM
Section 16: NW/4

(k) That the Drinkard 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 6: SW/4
Section 7: NW/4

(l) That the EK-Bone Springs Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 31: NE/4
Section 32: NW/4

(m) That the South Flying M-Atoka Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 24: S/2
Section 25: N/2

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

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 5: SW/4
Section 6: SE/4
Section 7: NE/4
Section 8: W/2

(o) That the Kennedy Farms-Atoka 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 23: W/2
Section 26: N/2

(p) 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 26: N/2

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 34: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 4: N/2 NE/4 and SE/4 NE/4

(s) 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 7: N/2

-6-

Case No. 5554
Order No. R-5102

(t) 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 34: NE/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 2: E/2

(v) 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 11: W/2
Section 13: NE/4
Section 14: 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 and extensions included herein shall be October 1, 1975.

-7-

Case No. 5554

Order No. R-5102

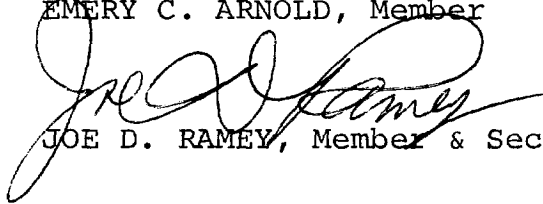
DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

dr/

Entered December 9, 1968
R.S.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. 3975
Order No. R-3618
NOMENCLATURE

APPLICATION OF FRANKLIN, ASTON &
FAIR, INC., FOR THE CREATION OF A
NEW OIL POOL AND FOR SPECIAL POOL
RULES, ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 2, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of December, 1968, 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 the applicant, Franklin, Aston & Fair, Inc., seeks the creation of a new oil pool for San Andres production in Roosevelt County, New Mexico, and the promulgation of special rules and regulations governing said pool, including a provision for 80-acre spacing units.

(3) That the Franklin, Aston & Fair, Inc., Bluitt Federal Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico, having its top perforations at 4661 feet, has discovered what may be a separate common source of supply which should be temporarily designated the East Bluitt-San Andres Pool; that the vertical limits of said pool should be

-2-

CASE No. 3975
Order No. R-3618

the San Andres formation; and that the horizontal limits of said pool should be the SE/4 of the aforesaid Section 13.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the East Bluit-San Andres Pool.

(5) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(6) That there is reason to believe that the subject area may not constitute a separate common source of supply, but that it may be an extension into an oil rim of the Bluit-San Andres Gas Pool.

(7) That this case should be reopened at an examiner hearing in February, 1969, at which time the operators in the subject area should be prepared to appear and present evidence whether the subject area is indeed a separate common source of supply or an extension of the Bluit-San Andres Gas Pool.

IT IS THEREFORE ORDERED:

(1) That a new pool in Roosevelt County, New Mexico, classified as an oil pool for San Andres production, is hereby created and designated the East Bluit-San Andres Pool, with vertical limits comprising the San Andres formation, and horizontal limits comprising the SE/4 of Section 13, Township 8 South, Range 37 East, NMPM, Roosevelt County, New Mexico.

(2) That temporary Special Rules and Regulations for the East Bluit-San Andres Pool, Roosevelt County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
EAST BLUITT-SAN ANDRES POOL

RULE 1. Each well completed or recompleted in the East Bluit San Andres Pool or in the San Andres formation within one mile

-3-

CASE No. 3975

Order No. R-3618

thereof, and not nearer to or within the limits of another designated San Andres oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.00 for

-4-

CASE No. 3975
Order No. R-3618

allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the East Bluitt-San Andres Pool or in the San Andres formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before December 20, 1968.

(2) That each well presently drilling to or completed in the East Bluitt-San Andres Pool or in the San Andres formation within one mile thereof shall receive a 40-acre allowable until a Form C-102 dedicating 80 acres to the well has been filed with the Commission.

(3) That this case shall be reopened at an examiner hearing in February, 1969, at which time the operators in the subject area shall appear and present evidence whether the subject area is indeed a separate common source of supply or an extension of the Bluitt-San Andres Gas Pool.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

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