

Entered March 10, 1976  
JAP

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. 5643  
Order No. R-5171

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 March 3, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of March, 1976, 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 pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of West Arkansas Junction-San Andres Pool. Said West Arkansas Junction-San Andres Pool was discovered by the Coquina Oil Corporation State KNN Well No. 1, located in Unit J of Section 20, Township 18 South, Range 36 East, NMPM. It was completed in the San Andres formation on December 15, 1975. The top of the perforations is at 5552 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 Atoka formation, said pool to bear the designation of Cabin Lake-Atoka Gas Pool. Said Cabin Lake-Atoka Gas Pool was discovered by the Corinne Grace Livingston Ridge Unit Well No. 1Y, located in Unit L of Section 36, Township 21 South, Range 30 East, NMPM. It was completed in the Atoka formation on December 20, 1975. The top of the perforations is at 12,826 feet.

(4) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Grayburg and San Andres formations, said pool to bear the designation of Cemetary-Grayburg San Andres Pool. Said Cemetary-Grayburg San



-2-

Case No. 5643

Order No. R-5171

Andres Pool was discovered by the Gulf Oil Corporation Jones Federal NCT-A Well No. 1, located in Unit L of Section 14, Township 20 South, Range 25 East, NMPM. It was completed in the Grayburg and San Andres formations on December 23, 1974. The top of the perforations is at 751 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 Wolfcamp formation, said pool to bear the designation of North Cemetary-Wolfcamp Gas Pool. Said North Cemetary-Wolfcamp Gas Pool was discovered by the David Fasken Seven Rivers Federal Well No. 1, located in Unit C of Section 17, Township 20 South, Range 25 East, NMPM. It was completed in the Wolfcamp formation on October 23, 1975. The top of the perforations is at 7240 feet.

(6) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of West Henshaw-Wolfcamp Pool. Said West Henshaw-Wolfcamp Pool was discovered by the Yates Petroleum Corporation Marco Polo EA State Well No. 1, located in Unit H of Section 32, Township 16 South, Range 30 East, NMPM. It was completed in the Wolfcamp formation on June 9, 1975. The top of the perforations is at 8630 feet.

(7) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Queen, Grayburg and San Andres formations, said pool to bear the designation of South Loco Hills Queen-Grayburg-San Andres Pool. The discovery well is the Gene A. Snow Alscott Well No. 1, located in Unit I of Section 31, Township 18 South, Range 29 East, NMPM. It was completed in the Queen, Grayburg and San Andres formations on July 30, 1974. The top of the perforations is at 1834 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 Morrow formation, said pool to bear the designation of West Lusk-Morrow Gas Pool. Said West Lusk-Morrow Gas Pool was discovered by the Adobe Oil Company Hannifin State Com Well No. 1, located in Unit P of Section 16, Township 19 South, Range 31 East, NMPM. It was completed in the Morrow formation on October 18, 1974. The top of the perforations is at 11,719 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 Otis-Morrow Gas Pool. Said Otis-Morrow Gas Pool was discovered by the Apexco Inc. Walterschied Com Well No. 1, located in Unit G of Section 35, Township 22 South, Range 27 East, NMPM. It was completed in the Morrow formation on September 6, 1974. The top of the perforations is at 11,958 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



-3-

Case No. 5643  
Order No. R-5171

Atoka formation, said pool to bear the designation of Penasco Draw-Atoka Gas Pool. Said Penasco Draw-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Scout EH Federal Com Well No. 2, located in Unit I of Section 27, Township 18 South, Range 25 East, NMPM. It was completed in the Atoka formation on September 9, 1975. The top of the perforations is at 8710 feet.

(11) 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 Scanlon-Morrow Gas Pool. Said Scanlon-Morrow Gas Pool was discovered by the Harvey E. Yates Company, Inc. Fannie Lou Federal Well No. 1, located in Unit G of Section 31, Township 20 South, Range 29 East, NMPM. It was completed in the Morrow formation on November 25, 1975. The top of the perforations is at 11,473 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 Queen formation, said pool to bear the designation of Square Lake-Queen Gas Pool. Said Square Lake-Queen Gas Pool was discovered by the Corpening Enterprises Exxon State Well No. 1, located in Unit M of Section 16, Township 16 South, Range 31 East, NMPM. It was completed in the Queen formation on November 30, 1973. The top of the perforations is at 3008 feet.

(13) That there is need for certain extensions to the Atoka-San Andres Pool, the North Burton Flat-Atoka Gas Pool, the Cabin Lake-Morrow Gas Pool, the Red Lake-Pennsylvanian Gas Pool and the White City-Pennsylvanian Gas Pool, all in Eddy County, New Mexico, and the Cruz-Delaware Pool, the Drinkard Pool, the La Rica-Morrow Gas Pool, the Paddock Pool, the Tonto-Seven Rivers Pool and the Townsend-Strawn 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 San Andres production, is hereby created and designated as the West Arkansas Junction-San Andres Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM  
Section 20: SE/4

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

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM  
- Section 36: W/2

-4-

Case No. 5643  
Order No. R-5171

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
Section 14: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM  
Section 17: N/2

(e) That a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production, is hereby created and designated as the West Henshaw-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM  
Section 32: NE/4

(f) That a new pool in Eddy County, New Mexico, classified as an oil pool for Queen-Grayburg and San Andres production, is hereby created and designated as the South Loco Hills-Queen-Grayburg-San Andres Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 31: SE/4 NE/4, & NE/4 SE/4  
Section 32: S/2 NW/4, N/2 SW/4, W/2 NE/4 and SE/4 NE/4

(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 West Lusk-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 16: S/2

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

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 26: W/2  
Section 35: All

(i) That a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production, is hereby created and designated as the Penasco Draw-Atoka Gas Pool, consisting of the

following described area:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM  
Section 27: E/2

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 31: N/2

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

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM  
Section 16: SW/4

(l) That the Atoka-San Andres 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 21: S/2 SE/4 & E/2 SW/4  
Section 28: N/2 NE/4  
Section 28: E/2 NW/4

(m) That the North Burton Flat-Atoka 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 13: N/2  
Section 14: All

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

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM  
Section 35: E/2  
Section 36: W/2

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

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 19: NE/4





-6-

Case No. 5643  
Order No. R-5171

(p) 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 25: SE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 30: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM  
Section 3: All

(r) That the Paddock 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 21: SW/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 26 EAST, NMPM  
Section 24: E/2

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 6: All  
Section 19: W/2

(t) That the Tonto (Seven Rivers) Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 13: SW/4  
Section 14: S/2

(u) 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 4: Lots 1, 2, 7, 8, 9, 10, 15, & 16 and SE/4

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



-7-

Case No. 5643

Order No. R-5171

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM

Section 16: All

Section 34: All

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM

Section 3: 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 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.

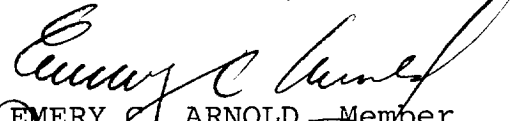
(2) That the effective date of this order and all creations and extensions included herein shall be April 1, 1976.

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

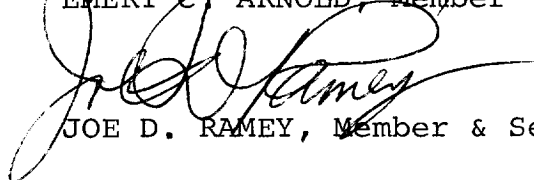
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

jr/