

Entered October 23, 1976

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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. 5788  
Order No. R-5309

THE APPLICATION OF THE OIL CONSERVATION  
COMMISSION UPON ITS OWN MOTION FOR AN ORDER  
CREATING, ABOLISHING, CONTRACTING VERTICAL  
LIMITS, AND EXTENDING VERTICAL AND HORIZONTAL  
LIMITS OF CERTAIN POOLS IN 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 October 13, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 27th day of October, 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 gas pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Angell Ranch-Morrow Gas Pool. Said Angell Ranch-Morrow Gas Pool was discovered by Penroc Oil Corporation Wright Federal Well No. 1, located in Unit O of Section 6, Township 20 South, Range 28 East, NMPM. It was completed in the Morrow formation on August 26, 1975. The top of the perforations is at 10,828 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 Strawn formation, said pool to bear the designation of West Burton Flat-Strawn Gas Pool. Said West Burton Flat-Strawn Gas Pool was discovered by David Fasken El Paso Federal Well No. 3, located in Unit H of Section 1, Township 21 South, Range 26 East, NMPM. It was completed in the Strawn formation on July 15, 1976. The top of the perforations is at 9,971 feet.

(4) That there is need for the creation of a new gas pool in Roosevelt County, New Mexico, for the production of gas from the Canyon formation, said pool to bear the designation of North Chaveroo-Canyon Gas Pool. Said North Chaveroo-Canyon Gas Pool was discovered by Union Oil Company of California Roberts Well No. 1, located in Unit D of Section 9, Township 7 South, Range 33 East, NMPM. It was completed in the Canyon formation on June 2, 1976. The top of the perforations is at 8,903 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 Foster Ranch-Morrow Gas Pool. Said Foster Ranch-Morrow Gas Pool was discovered by Mark Production Company Foster Well No. 1, located in Unit J of Section 21, Township 20 South, Range 24 East, NMPM. It was completed in the Morrow formation on May 13, 1975. The top of the perforations is at 8,875 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 Cherry Canyon formation, said pool to bear the designation of Nash Draw-Cherry Canyon Pool. Said Nash Draw-Cherry Canyon Pool was discovered by Mesa Petroleum Company Nash Unit Well No. 4, located in Unit A of Section 13, Township 23 South, Range 29 East, NMPM. It was completed in the Cherry Canyon formation on June 2, 1976. The top of the perforations is at 4,785 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 Strawn formation, said pool to bear the designation of Ojo Chiso-Strawn Gas Pool. Said Ojo Chiso-Strawn Gas Pool was discovered by American Quasar Petroleum Company of New Mexico Ojo Chiso Unit Well No. 1, located in Unit E of Section 23, Township 22 South, Range 34 East. It was completed in the Strawn formation on June 27, 1976. The top of the perforations is at 11,727 feet.

(8) That the proposed creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Cisco formation, said pool to bear the designation of North Vacuum-Cisco Gas Pool, should be dismissed pending further study.

(9) That the proposed contraction of the vertical limits of the Kemnitz-Pennsylvanian Pool in Lea County, New Mexico, to the Cisco formation only, should be dismissed due to an error in advertising.

(10) That there is need for the contraction of the vertical limits of the Sombrero-Pennsylvanian Gas Pool in Lea County, New Mexico, to include only the Atoka formation, redesignating said Sombrero-Pennsylvanian Gas Pool as the Sombrero-Atoka Gas Pool, and redefining the horizontal limits of said pool to include Great Western Drilling Company State "13" Well No. 1, located in Unit P

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of Section 13, Township 16 South, Range 33 East, NMPM. It was completed in the Atoka formation on November 12, 1975. The top of the perforations is at 12,660 feet.

(11) That there is need for the abolishment of the East Shugart-Queen Pool in Lea County, New Mexico, acreage will be included in the Watkins Yates - Seven Rivers-Queen-Grayburg Pool.

(12) That there is need for the abolishment of the Watkins-Seven Rivers Pool in Eddy and Lea Counties, New Mexico, acreage in Eddy County, New Mexico will be included in the Shugart Yates-Seven Rivers-Queen-Grayburg Pool, and the acreage in Lea County, New Mexico will be included in the Watkins Yates-Seven Rivers-Queen-Grayburg Pool.

(13) That there is need for the extension of the vertical limits of the Watkins-Grayburg Pool in Lea County, New Mexico, to include the Yates, Seven Rivers and Queen formations, redesignating said pool the Watkins Yates-Seven Rivers-Queen-Grayburg Pool and redefining the horizontal limits of said pool.

(14) That there is need for certain extensions to the Burton Flat-Morrow Gas Pool, the North Burton Flat-Wolfcamp Gas Pool, the South Carlsbad-Morrow Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the Dayton-San Andres Pool, the East Empire Yates-Seven Rivers Pool, the Hoag Tank-Morrow Gas Pool, the Red Lake Queen-Grayburg-San Andres Pool, and the Shugart Yates-Seven Rivers-Queen-Grayburg Pool, all in Eddy County, New Mexico, the Blinebry Oil and Gas Pool, the Middle Lynch Yates-Seven Rivers Pool, the Sawyer-San Andres Gas Pool, and the Vacuum-Queen Gas Pool, all in Lea County, New Mexico, and the Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico.

(15) That the proposed extension to the Maljamar-Pennsylvanian Pool in Lea County, New Mexico, should be dismissed due to previous action by Oil Conservation Commission Order No. R-5296.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 6: All

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 1: Lots 1 through 8

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

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM  
Section 9: W/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 Foster Ranch-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 21: E/2

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

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM  
Section 13: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 23: W/2

(g) That the proposed creation of a new gas pool in Lea County, New Mexico, for Cisco production is hereby dismissed.

(h) That the proposed contraction of the vertical limits of the Kemnitz-Pennsylvanian Pool in Lea County, New Mexico, is hereby dismissed.

(i) That the vertical limits of the Sombrero-Pennsylvanian Gas Pool in Lea County, New Mexico, are hereby contracted to include only the Atoka formation and said Sombrero-Pennsylvanian Gas Pool is hereby redesignated the Sombrero-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 12: W/2  
Section 13: W/2 and SE/4

(j) That the East Shugart-Queen Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 6: NE/4

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is hereby abolished.

(k) That the Watkins-Seven Rivers Pool in Eddy and Lea Counties, New Mexico, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 36: E/2

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 31: All

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 6: N/2

is hereby abolished.

(l) That the vertical limits of the Watkins-Grayburg Pool in Lea County, New Mexico, are hereby extended to include the Yates, Seven Rivers, and Queen formations and said Watkins-Grayburg Pool is redesignated the Watkins Yates-Seven Rivers-Queen-Grayburg Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 31: NW/4 and S/2

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 6: N/2

(m) 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 22 SOUTH, RANGE 37 EAST, NMPM  
Section 21: S/2 SE/4  
Section 28: N/2 NE/4 and NE/4 NW/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM  
Section 18: SE/4

(n) 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: S/2

(o) That the North Burton Flats-Wolfcamp 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 10: W/2  
Section 15: W/2  
Section 16: E/2

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(p) 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 22 SOUTH, RANGE 27 EAST, NMPM  
Section 20: E/2

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 3: W/2

(q) 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 30: SE/4

(r) That the Dayton-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 26: SW/4 and E/2 NW/4

(s) 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 27: NE/4 and N/2 NW/4  
Section 28: SE/4 NE/4

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 23: All

(u) That the Middle Lynch Yates-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM  
Section 28: N/2 N/2

(v) That the proposed extension to the Maljamar-Pennsylvanian Pool in Lea County, New Mexico, is hereby dismissed.

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

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TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM  
Section 20: W/2

(x) 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 13: SE/4 SE/4  
Section 24: NE/4

(y) That the Sawyer-San Andres Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM  
Section 13: SW/4

(z) That the Shugart 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 26: NW/4  
Section 27: NE/4

(aa) That the Vacuum-Queen Gas 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: SW/4  
Section 3: SE/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 Form 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.

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(2) That the effective date of this order and all creations, contractions, abolishments, and extensions included herein shall be November 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

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Entered October 27, 1976

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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. 5736  
Order No. R-5310

APPLICATION OF BCO INC. FOR  
DOWNHOLE COMMINGLING, RIO  
ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 29, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of October, 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 the applicant, BCO Inc., is the owner and operator of the Dunn Well No. 2, located in Unit F of Section 10, Township 23 North, Range 7 West, NMPM, Rio Arriba County, New Mexico.
- (3) That the applicant seeks authority to commingle Lybrook-Gallup, Basin-Dakota, undesignated Greenhorn, and Mancos stringer production within the wellbore of the above-described well.
- (4) That from each of the aforesaid pools and zones, the subject well is capable of low marginal production only.
- (5) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools and zones, thereby preventing waste, and will not violate correlative rights.
- (6) That the reservoir characteristics of each of the subject pools and zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.
- (7) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate