

Entered April 25, 1979
JLR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6524
Order No. R-5988

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN ORDER
CREATING, ABOLISHING, AND EXTENDING VERTICAL
AND HORIZONTAL LIMITS OF CERTAIN POOLS IN
EDDY AND LEA COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9:00 a.m. on April 11, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of April, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Seven Rivers formation, said pool to bear the designation of Cave-Seven Rivers Pool. Said Cave-Seven Rivers Pool was discovered by the Kincaid & Watson Drilling Company Humble 8 Well No. 7 located in Unit D of Section 8, Township 17 South, Range 29 East, NMPM. It was completed in the Seven Rivers formation on October 15, 1977. The top of the perforations is at 1144 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 Malaga-Atoka Gas Pool. Said Malaga-Atoka Gas Pool was discovered by the Aminoil USA, Inc. CNB Com. Well No. 1 located in Unit L of Section 11, Township 24 South, Range 26 East, NMPM. It

was completed in the Atoka formation on November 27, 1978. The top of the perforations is at 11,720 feet.

(4) 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 Morton-Morrow Gas Pool. Said Morton-Morrow Gas Pool was discovered by the Southern Union Exploration Company Lea "L" State Well No. 1 located in Unit G of Section 14, Township 15 South, Range 34 East, NMPM. It was completed in the Morrow formation on October 25, 1978. The top of the perforations is at 12,666 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 Glorieta formation, said pool to bear the designation of Oil Center-Glorieta Pool. Said Oil Center-Glorieta Pool was discovered by the Amoco Production Company State "C" Tract 11 Well No. 7 located in Unit W of Section 2, Township 21 South, Range 36 East, NMPM. It was completed in the Glorieta formation on August 16, 1978. The top of the perforations is at 5219 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 Cisco formation, said pool to bear the designation of North Turkey Track-Cisco Gas Pool. Said North Turkey Track-Cisco Gas Pool was discovered by the Hondo Drilling Company Alscott Well No. 1 located in Unit G of Section 31, Township 18 South, Range 29 East, NMPM. It was completed in the Cisco formation on September 16, 1977. The top of the perforations is at 9518 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 Winchester-Atoka Gas Pool. Said Winchester-Atoka Gas Pool was discovered by the Cities Service Company Government S Well No. 1 located in Unit H of Section 3, Township 20 South, Range 28 East, NMPM. It was completed in the Atoka formation on November 5, 1973. The top of the perforations is at 10,463 feet.

(8) That there is need for the abolishment of the Turkey Track-Seven Rivers Pool in Eddy County, New Mexico, in order to include the abolished acreage in the Turkey Track Queen-Grayburg Pool.

(9) That there is need for the extension of the vertical limits of the Turkey Track Queen-Grayburg Pool in Eddy County, New Mexico, to include the Seven Rivers formation and the redesignation of said pool as the Turkey Track Seven Rivers-Queen-Grayburg Pool.

(10) That there is need for certain extensions to the Avalon-Atoka Gas Pool, the Box Canyon Permo-Pennsylvanian Gas Pool, the Boyd-Morrow Gas Pool, the North Burton Flats-Wolfcamp Gas Pool, the South Carlsbad-Atoka Gas Pool, the East Carlsbad-Morrow Gas Pool, the South Carlsbad-Morrow Gas Pool, the Cemetery-Morrow Gas Pool, the North Cemetery-Atoka Gas Pool, the Dayton-Grayburg Pool, the Eagle Creek Permo-Penn Gas Pool, the Eagle Creek-Strawn Gas Pool, the South Empire-Morrow Gas Pool, the Golden Lane-Atoka Gas Pool, the Herradura Bend-Delaware Pool, the Penasco Draw San Andres-Yeso Pool, the Shugart Yates-SR-Queen-Grayburg Pool, the Turkey Track Seven Rivers-Queen-Grayburg Pool, the Turkey Track-Morrow Gas Pool, the North Turkey Track-Morrow Gas Pool, the White City-Pennsylvanian Gas Pool, and the Winchester-Morrow Gas Pool, all in Eddy County, New Mexico, and the Antelope Ridge-Atoka Gas Pool, the Antelope Ridge-Morrow Gas Pool, the Blinebry Oil and Gas Pool, the Cerca-Lower Wolfcamp Pool, the Dickinson-San Andres Pool, and the Warren-Tubb Gas Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 8: NW/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 Malaga-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 11: W/2

(c) That a new pool in Lea County, New Mexico, classified

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as a gas pool for Morrow production, is hereby created and designated as the Morton-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 14: E/2

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 2: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 31: N/2

(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 Winchester-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 33: S/2
Section 34: S/2

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 3: E/2

(g) That the Antelope Ridge-Atoka 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 3: S/2
Section 10: E/2

(h) 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 23 SOUTH, RANGE 34 EAST, NMPM
Section 26: N/2

(i) That the Avalon-Atoka 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 8: All
Section 9: S/2
Section 16: N/2

(j) 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 29: SE/4

(k) That the Box Canyon Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM
Section 14: W/2
Section 15: S/2

(l) That the Boyd-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 12: E/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 7: W/2

(m) 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 3: E/2

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(n) 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 27 EAST, NMPM
Section 3: W/2
Section 4: S/2
Section 5: S/2

(o) That the East Carlsbad-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 26: E/2

(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 23 SOUTH, RANGE 27 EAST, NMPM
Section 10: S/2
Section 11: W/2

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

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 36: S/2

(r) That the North Cemetery-Atoka 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 36: N/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 28: All
Section 31: N/2
Section 32: N/2

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

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 4: NW/4

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(t) That the Dayton-Grayburg 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 35: W/2 SE/4

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM
Section 2: W/2 NE/4 and NW/4 SE/4

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

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM
Section 26: SW/4

(v) That the Eagle Creek Permo-Penn 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 21: W/2
Section 28: All

(w) That the Eagle Creek-Strawn 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 21: N/2

(x) That the South Empire-Morrow Gas 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 8: E/2
Section 9: W/2

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

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 31: W/2

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 32: W/2 SW/4 and SW/4 NW/4

(aa) 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 29: SW/4 and W/2 SE/4
Section 32: N/2 NW/4 and NW/4 NE/4

(bb) That the Shugart Yates-SR-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 and S/2 NE/4
Section 24: S/2 and S/2 N/2

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 2: N/2 SW/4

(cc) That the Turkey Track-Seven Rivers Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 2: SW/4
Section 3: S/2
Section 9: SE/4
Section 10: All
Section 11: NW/4
Section 15: N/2
Section 16: NE/4

is hereby abolished.

(dd) That the vertical limits of the Turkey Track Queen-Grayburg Pool in Townships 18 and 19 South, Range 29 East, NMPM, Eddy County, New Mexico, are hereby extended to include the Seven Rivers formation and said pool is redesignated the Turkey Track Seven Rivers-Queen-Grayburg Pool. Further, said pool is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 16: W/2 NE/4 and SE/4 NE/4

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 15: W/2
Section 16: All

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

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 35: All
Section 36: All

(gg) That the Warren-Tubb 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 29: SE/4

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

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 1: All
Section 10: All

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 25: All
Section 29: S/2
Section 32: N/2
Section 36: W/2

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 70-2-18, NMSA 1978, 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

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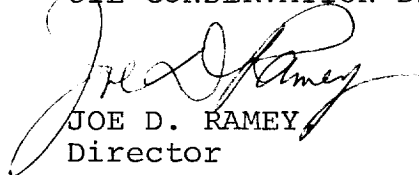
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the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. 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 Division within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations, abolishments, extensions, and redesignations included herein shall be May 1, 1979.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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