

Entered August 4, 1980

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. 6986
Order No. R-6420

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 23, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 4th day of August, 1980, 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 pool in Eddy County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of Forty Niner Ridge-Bone Spring Pool. Said Forty Niner Ridge-Bone Spring Pool was discovered by the Getty Oil Company Forty Niner Ridge Unit Well No. 2 located in Unit G of Section 21, Township 23 South, Range 30 East, NMPM. It was completed in the Bone Spring formation on October 19, 1977. The top of the perforations is at 7514 feet.

(3) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Mississippian formation, said pool to bear the designation of Gladiola-Mississippian Pool. Said Gladiola-Mississippian Pool was discovered by the Skelton Oil Company Z. Taylor Well No. 2 located in Unit G of Section 7, Township 12 South, Range 38 East, NMPM. It was completed in the Mississippian formation

on May 25, 1980. The top of the perforations is at 11,405 feet.

(4) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Pawnee-Strawn Gas Pool. Said Pawnee-Strawn Gas Pool was discovered by the Gifford, Mitchell & Wisenbaker White Eagle Well No. 1 located in Unit F of Section 22, Township 26 South, Range 36 East, NMPM. It was completed in the Strawn formation on April 18, 1980. The top of the perforations is at 12,505 feet.

(5) That there is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Abo formation, said pool to bear the designation of Penjack-Abo Gas Pool. Said Penjack-Abo Gas Pool was discovered by the McClellan Oil Corporation Penjack Well No. 1 located in Unit D of Section 6, Township 10 South, Range 26 East, NMPM. It was completed in the Abo formation on February 3, 1979. The top of the perforations is at 4312 feet.

(6) That there is need for the creation of a new pool in Roosevelt County, New Mexico, for the production of oil from the Pennsylvanian formation, said pool to bear the designation of North Peterson-Pennsylvanian Pool. Said North Peterson-Pennsylvanian Pool was discovered by the Enserch Exploration, Inc. Amoco State Well No. 1 located in Unit L of Section 16, Township 4 South, Range 33 East, NMPM. It was completed in the Pennsylvanian formation on June 4, 1980. The top of the perforations is at 7826 feet.

(7) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Red Hills-Morrow Gas Pool. Said Red Hills-Morrow Gas Pool was discovered by the Amoco Production Company Andrikopoulos Federal Well No. 1 located in Unit L of Section 24, Township 25 South, Range 33 East, NMPM. It was completed in the Morrow formation on April 14, 1980. The top of the perforations is at 14,986 feet.

(8) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Sand Point-Atoka Gas Pool. Said Sand Point-Atoka Gas Pool was discovered by the Perry R. Bass Big Eddy Unit Well No. 72 located in Unit R of Section 3, Township 21 South, Range 28 East, NMPM. It was completed in the Atoka formation on May 28, 1980. The top of the perforations is at 11,265 feet.

(9) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Young-Morrow Gas Pool. Said Young-Morrow Gas Pool was discovered by the Harvey E. Yates Company Young Deep Unit Well No. 1 located in Unit D of Section 10, Township 18 South, Range 32 East, NMPM. It was completed in the Morrow formation on April 18, 1980. The top of the perforations is at 12,835 feet.

(10) That there is need for the extension of the vertical limits of the Nadine-Drinkard Pool in Lea County, New Mexico, to include the Abo formation and the redesignation of said pool as the Nadine Drinkard-Abo Pool.

(11) That there is need for the extension of the vertical limits of the Sioux Tansill-Yates Pool in Lea County, New Mexico, to include the Seven Rivers formation and the redesignation of said pool as the Sioux Tansill-Yates-Seven Rivers Pool and the extension of the horizontal limits of said pool.

(12) That there is need for certain extensions to the West Bitter Lake-San Andres Pool, the Buffalo Valley-Pennsylvanian Gas Pool, the Cato-San Andres Pool, the Race Track-San Andres Pool, the Railroad Mountain-San Andres Pool, the Round Tank-Queen Associated Pool, the Tom-Tom San Andres Pool, and the Twin Lakes-San Andres Associated Pool, all in Chaves County, New Mexico, and the Baldrige Canyon-Morrow Gas Pool, the North Benson Queen-Grayburg Pool, the Boyd-Morrow Gas Pool, the Diamond Mound-Atoka Gas Pool, the Diamond Mound-Morrow Gas Pool, the East Eagle Creek Atoka-Morrow Gas Pool, the Indian Flats-Atoka Gas Pool, the Indian Flats-Morrow Gas Pool, the Southwest Indian Flats-Morrow Gas Pool, the Penasco Draw-Morrow Gas Pool, the Red Lake-Pennsylvanian Gas Pool, the Richard Knob Atoka-Morrow Gas Pool, the Sand Point-Morrow Gas Pool, and the North Turkey Track-Morrow Gas Pool, all in Eddy County, New Mexico, and the Airstrip-Wolfcamp Pool, the Mid Bell Lake-Devonian Gas Pool, the Brunson-Fusselman Pool, the Gem-Morrow Gas Pool, the East Grama Ridge-Morrow Gas Pool, and the La Rica-Morrow Gas Pool, all in Lea County, New Mexico, and the South Peterson-Pennsylvanian Pool and the Tomahawk-San Andres Pool, both in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and

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designated as the Forty Niner Ridge-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 21: NE/4

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

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 7: NE/4

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

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 22: N/2

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

TOWNSHIP 9 SOUTH, RANGE 25 EAST, NMPM
Section 36: SE/4

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 31: SW/4

TOWNSHIP 10 SOUTH, RANGE 25 EAST, NMPM
Section 1: E/2 and NW/4
Section 2: NE/4

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 6: NW/4

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

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM
Section 16: SW/4

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

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 24: W/2

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 3: S/2

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 10: W/2

(i) That the Airstrip-Wolfcamp 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 26: SE/4

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

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 11: All
Section 12: W/2
Section 13: W/2

(k) That the Mid Bell Lake-Devonian 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 18: N/2 and SW/4

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(l) 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 33: SW/4

(m) That the West Bitter Lake-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 25 EAST, NMPM
Section 17: SE/4 NE/4

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 35: S/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 2: All

(o) That the Brunson-Fusselman 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 9: NW/4

(p) 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 14 SOUTH, RANGE 28 EAST, NMPM
Section 31: All

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 31: SE/4

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

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 6: Lots 3, 4, 5, 6, 11, 12,
13, and 14

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

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 4: Lots 3, 4, 5, 6, 11, 12,
13, and 14
Section 5: Lots 1, 2, 7, 8, 9, 10,
15, and 16

(t) That the East Eagle Creek Atoka-Morrow 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 22: All
Section 23: W/2

(u) That the Gem-Morrow Gas 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 32: N/2

(v) That the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 36: S/2

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 25: N/2
Section 26: E/2

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 23: E/2

Section 26: E/2

(y) That the Southwest Indian Flats-Morrow Gas 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 9: All

Section 10: W/2

(z) 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 2: All

(aa) That the vertical limits of the Nadine-Drinkard Pool in Lea County, New Mexico, are hereby extended to include the Abo formation and said pool redesignated the Nadine Drinkard-Abo Pool.

(bb) That the Penasco Draw-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 1: N/2

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

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM

Section 30: SW/4

Section 31: NW/4 and N/2 SW/4

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

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM

Section 18: S/2 SE/4

Section 20: E/2 NW/4 and SW/4 NW/4

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

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM

Section 2: W/2 SW/4

Section 3: E/2 SE/4 and SE/4 NE/4

(ff) 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 29: S/2

(gg) That the Richard Knob Atoka-Morrow 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 31: All

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM

Section 13: All

(hh) That the Round Tank-Queen Associated 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 19: SW/4 SE/4

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 2: Lots 11, 12, 13, 14, and
SW/4

(jj) That the vertical limits of the Sioux Tansill-Yates Pool in Lea County, New Mexico, are hereby extended to include the Seven Rivers formation and said pool redesignated the Sioux Tansill-Yates-Seven Rivers Pool. Further, said pool is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM

Section 16: SW/4

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

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 19: SE/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 25: NE/4

(mm) 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 26: W/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 27: N/2
Section 28: N/2
Section 33: N/2
Section 34: N/2

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 1: S/2

(nn) That the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM
Section 24: SE/4 SW/4
Section 25: N/2 and N/2 SW/4

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 18: S/2 SW/4 and SW/4 SE/4
Section 19: NW/4 and N/2 SW/4
Section 31: SW/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM
Section 1: SE/4 NE/4, NE/4 SE/4,
and S/2 S/2

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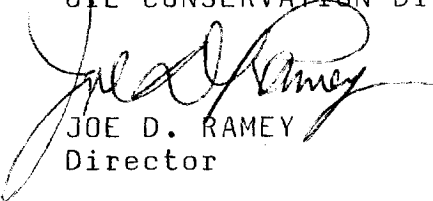
IT IS FURTHER ORDERED:

(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 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 and extensions of vertical and horizontal limits included herein shall be August 1, 1980.

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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