

Entered September 29, 1980
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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. 7028
Order No. R-6476

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 17, 1980, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of September, 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 Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of North Bell Lake-Wolfcamp Pool. Said North Bell Lake-Wolfcamp Pool was discovered by the Amoco Production Company State HL Well No. 1 located in Unit L of Section 2, Township 23 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on May 14, 1980. The top of the perforations is at 13,162 feet.

(3) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Golden

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Lane-Delaware Pool. Said Golden Lane-Delaware Pool was discovered by the Meadco Properties, Ltd. Hudson Federal Well No. 1 located in Unit C of Section 4, Township 21 South, Range 29 East, NMPM. It was completed in the Delaware formation on August 10, 1979. The top of the perforations is at 4070 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 Atoka formation, said pool to bear the designation of McDonald-Atoka Gas Pool. Said McDonald-Atoka Gas Pool was discovered by the Harvey E. Yates Company Heyco Betenbough Well No. 1 located in Unit C of Section 32, Township 13 South, Range 36 East, NMPM. It was completed in the Atoka formation on June 19, 1980. The top of the perforations is at 12,315 feet.

(5) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Seven Rivers formation, said pool to bear the designation of Pearsall-Seven Rivers Pool. Said Pearsall-Seven Rivers Pool was discovered by the Arrowhead Oil Corporation Hover Well No. 3 located in Unit D of Section 32, Township 17 South, Range 32 East, NMPM. It was completed in the Seven Rivers formation on July 15, 1980. The top of the perforations is at 2449 feet.

(6) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of West Tonto-Wolfcamp Pool. Said West Tonto-Wolfcamp Pool was discovered by the Inexco Oil Company Federal Com 7 Well No. 2 located in Unit E of Section 7, Township 19 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on August 4, 1980. The top of the perforations is at 10,892 feet.

(7) 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 Winchester-Bone Spring Pool. Further, that the discovery well for said pool, the Marathon Oil Company Martinez "31" Federal Well No. 1 located in Unit F of Section 31, Township 19 South, Range 29 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 38,955 barrels, to be assigned over a two-year period. Said discovery well was completed in the Bone Spring formation on July 19, 1980. The top of the perforations is at 7791 feet.

(8) That there is need for the contraction of the horizontal limits of the Mid Bell Lake-Devonian Gas Pool in Lea

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County, New Mexico, the deleted acreage has been placed in the North Bell Lake-Devonian Gas Pool.

(9) That there is need for the contraction of the horizontal limits of the La Rica-Morrow Gas Pool in Lea County, New Mexico, the deleted acreage has been placed in the East La Rica-Morrow Gas Pool.

(10) That there is need for certain extensions to the Chaveroo-San Andres Pool and the Tom-Tom San Andres Pool, both in Chaves County, New Mexico, and the Artesia Queen-Grayburg-San Andres Pool, the North Burton Flat-Wolfcamp Gas Pool, the South Carlsbad-Morrow Gas Pool, the South Culebra Bluff-Bone Spring Pool, the Eagle Creek-Permo Pennsylvanian Gas Pool, the South Empire-Morrow Gas Pool, the East Empire Yates-Seven Rivers Pool, the West Indian Basin-Morrow Gas Pool, the Los Medanos-Atoka Gas Pool, the North Loving-Morrow Gas Pool, the Lusk-Morrow Gas Pool, the West Malaga-Atoka Gas Pool, the Mesa-Queen Gas Pool, the Nash Draw-Morrow Gas Pool, the East Red Lake Queen-Grayburg Pool, the Sand Point-Morrow Gas Pool, the Shugart-Pennsylvanian Gas Pool, the Turkey Track-Atoka Gas Pool, the Turkey Track-Morrow Gas Pool, the Winchester-Wolfcamp Gas Pool, and the Yarrow-Delaware Gas Pool, all in Eddy County, New Mexico, and the Airstrip-Upper Bone Spring Pool, the Airstrip-Lower Bone Spring Pool, the Bough-San Andres Gas Pool, the Buffalo-Pennsylvanian Gas Pool, the East Grama Ridge-Morrow Gas Pool, the Langley-Devonian Gas Pool, the Langley-Ellenburger Gas Pool, the Midway-Devonian Pool, the North Osudo-Morrow Gas Pool, the Shoebar-Atoka Gas Pool, the Sioux Tansill-Yates-Seven Rivers Pool, the Teas Yates-Seven Rivers Pool, and the Young-Morrow Gas 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 Wolfcamp production is hereby created and designated as the North Bell Lake-Wolfcamp Pool, consisting of the following described area:

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

(b) That a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the Golden Lane-Delaware Pool, consisting of

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the following described area:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 4: Lots 3, 4, 5, 6, 11, and
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(c) That a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production is hereby created and designated as the McDonald-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 13 SOUTH, RANGE 36 EAST, NMPM
Section 32: N/2

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

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 32: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 7: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 31: NW/4

Further, that the discovery well for said Winchester-Bone Spring Pool, being Marathon Oil Company Martinez "31" Federal Well No. 1 located in Unit F of Section 31, Township 19 South, Range 29 East, NMPM, is hereby assigned a bonus discovery allowable in the amount of 38,955 barrels to be produced over a two-year period.

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(g) That the Mid Bell Lake-Devonian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 18: N/2 and SW/4

(h) That the La Rica-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 2: All

(i) That the Airstrip-Upper Bone Spring 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 35: NE/4
Section 36: NE/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 31: NW/4

(j) That the Airstrip-Lower Bone Spring 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 23: SW/4
Section 26: NE/4

(k) That the Artesia Queen-Grayburg-San Andres 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 22: E/2 NE/4

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 35: W/2 NW/4

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 2: NW/4 and N/2 SW/4

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(l) That the Bough-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 35 EAST, NMPM
Section 14: NE/4

(m) That the Buffalo-Pennsylvanian 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 8: E/2

(n) That the North Burton Flat-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 29: N/2

(o) 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 16: W/2

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

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 4: E/2 E/2

(q) That the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 24: S/2 NW/4 and N/2 S/2

(r) That the Eagle Creek Permo-Pennsylvanian 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

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(s) 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 28 EAST, NMPM
Section 12: All

(t) 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 28: N/2 N/2

(u) 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 22 SOUTH, RANGE 34 EAST, NMPM
Section 3: E/2

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

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 24: N/2

(w) That the Langley-Devonian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 28: S/2

(x) That the Langley-Ellenburger Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 28: S/2

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

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 1: S/2

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 17: S/2

Section 19: E/2

Section 20: W/2

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 13: All

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 8: E/2

Section 9: S/2

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

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 1: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 8: SE/4

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

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 7: S/2

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

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
Section 29: S/2

(gg) That the East Red Lake Queen-Grayburg 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 25: NW/4 and N/2 SW/4

(hh) 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 3: Lots 1, 2, 7, 8, 9, 10,
15, and 16

(ii) That the Shoebar-Atoka Gas 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 28: N/2 and SW/4

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 1: W/2
Section 2: N/2

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

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 9: SE/4

(ll) That the Teas Yates-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described,

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is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 19: SE/4

(mm) 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 24: SW/4
Section 35: NW/4

(nn) That the Turkey Track-Atoka 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 1: S/2
Section 2: S/2
Section 11: N/2
Section 14: All

(oo) 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 7: S/2
Section 18: All

(pp) That the Winchester-Wolfcamp 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 34: SE/4

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 22: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 4: S/2

Section 9: E/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 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, discovery allowable assignments, contractions, and extensions included herein shall be October 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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