

Entered December 11, 1980
JHR

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. 7094
Order No. R-6536

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 November 25, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of December, 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 Yates formation, said pool to bear the designation of Northeast Lusk-Yates Pool. Further, that the discovery well for said pool, the Sun Oil Company Jennings B Federal Well No. 1 located in Unit K of Section 15, Township 19 South, Range 32 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 14,790 barrels, to be assigned over a two-year period. Said discovery well was completed in the Yates formation on September 11, 1980. The top of the perforations is at 2958 feet.
- (3) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Yates formation, said pool to bear the designation of North Querecho

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Plains-Yates Gas Pool was discovered by the Lewis B. Burleson, Inc. Berry Federal Well No. 1 located in Unit E of Section 35, Township 18 South, Range 32 East, NMPM. It was completed in the Yates formation on June 25, 1980. The top of the perforations is at 3249 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 Triple X-Atoka Gas Pool. Said Triple X-Atoka Gas Pool was discovered by Getty Oil Company HNG 4F State Well No. 1 located in Unit F of Section 4, Township 24 South, Range 33 East, NMPM. It was completed in the Atoka formation on April 27, 1980. The top of the perforations is at 14,922 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 Devonian formation, said pool to bear the designation of Tulk-Devonian Pool. Said Tulk-Devonian Pool was discovered by the Santa Fe Energy Company State NM3 Well No. 1 located in Unit P of Section 3, Township 15 South, Range 32 East, NMPM. It was completed in the Devonian formation on August 28, 1980. The top of the perforations is at 13,505 feet.

(6) 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 Vaca Draw-Morrow Gas Pool. Said Vaca Draw-Morrow Gas Pool was discovered by the HNG Oil Company Bell Lake 11 Federal Well No. 1 located in Unit B of Section 11, Township 25 South, Range 33 East, NMPM. It was completed in the Morrow formation on August 21, 1980. The top of the perforations is at 14,883 feet.

(7) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of North Young-Bone Spring Pool. Said North Young-Bone Spring 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 Bone Spring formation on August 19, 1980. The top of the perforations is at 8418 feet.

(8) That there is need for the contraction of the horizontal limits of the Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, the deleted acreage to be placed in the North Anderson Ranch-Wolfcamp Pool.

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(9) That there is need for the contraction of the horizontal limits of the Querecho Plains-Yates Pool in Lea County, New Mexico, the deleted acreage to be placed in the North Querecho Plains-Yates Gas Pool.

(10) That there is need for the contraction of the horizontal limits of the South Red Lake-Seven Rivers Pool in Lea County, New Mexico, the deleted acreage to be placed in the East Empire Yates-Seven Rivers Pool.

(11) That there is need for certain extensions to the Bull-s Eye-San Andres Pool, the Diamond Mound-Morrow Gas Pool, the Tom-Tom San Andres Pool, and the Twin Lakes-San Andres Associated Pool, all in Chaves County, New Mexico, the Bass-Morrow Gas Pool, the Diamond Mound-Morrow Gas Pool, the Dublin Ranch-Morrow Gas Pool, the Eagle Creek-Permo Pennsylvanian Gas Pool, the South Empire-Morrow Gas Pool, the East Empire Yates-Seven Rivers Pool, the Loco Hills Queen-Grayburg-San Andres Pool, the South Loco Hills Queen-Grayburg-San Andres Pool, and the Penasco Draw-Permo Pennsylvanian Gas Pool, all in Eddy County, New Mexico, and the Airstrip-Lower Bone Spring Pool, the North Anderson Ranch-Wolfcamp Pool, the Antelope Ridge-Bone Spring Pool, the West Arkansas Junction-San Andres Pool, the Bell Lake-Bone Spring Pool, the Blinebry Oil and Gas Pool, the Denton-Wolfcamp Pool, the East Grama Ridge-Morrow Gas Pool, the Hardy-Blinebry Pool, the Hardy-Drinkard Pool, the Leamex-Wolfcamp Pool, the Northeast Lovington-Pennsylvanian Pool, the Saunders Permo-Upper Pennsylvanian Pool, the Scharb-Bone Spring Pool, and the Vacuum-Abo Reef 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 Yates production is hereby created and designated as the Northeast Lusk-Yates Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 15: SW/4

Further, that the discovery well for said Northeast Lusk-Yates Pool, being the Sun Oil Company Jennings B Federal Well No. 1 located in Unit K of Section 15, Township 19 South, Range 32 East, NMPM, is hereby assigned a bonus discovery allowable in the amount of 14,790 barrels to be produced over a two-year period.

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 35: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 4: W/2

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

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 3: SE/4

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

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 11: N/2

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 10: NW/4

(g) That the horizontal limits of the Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, are hereby contracted by the deletion of the following described area:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 3: Lots 9, 10, 15, and 16

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(h) That the horizontal limits of the Querecho Plains-Yates Pool in Lea County, New Mexico, as heretofore classified, defined, and described, are hereby contracted by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 35: NW/4

(i) That the horizontal limits of the South Red Lake-Seven Rivers Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, are hereby contracted by the deletion of the following described area:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 15: W/2 SW/4
Section 22: 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: SE/4

(k) That the North Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 2: Lots 11, 12, 13, and 14
Section 3: Lots 9, 10, 15, and 16

(l) That the Antelope Ridge-Bone Spring 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 24: SW/4
Section 35: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 20: SW/4
Section 29: NW/4

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(n) That the Bass-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 21: E/2
Section 28: All

(o) That the Bell Lake-Bone Spring 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 29: N/2
Section 30: E/2
Section 31: NE/4

(p) 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 22: SE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 8: NW/4

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

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 6: E/2 SW/4
Section 7: E/2 NW/4

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

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM
Section 22: SE/4

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

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TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 35: S/2

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 31: E/2

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

(t) That the Dublin Ranch-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 28: All
Section 29: N/2

(u) 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 24 EAST, NMPM
Section 36: E/2

(v) 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 17 SOUTH, RANGE 29 EAST, NMPM
Section 18: All

(w) 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 22: NW/4

(x) 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 2: SE/4

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(y) That the Hardy-Blinebry 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 1: S/2

(z) That the Hardy-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 1: S/2

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 21: S/2 NW/4

(bb) That the Loco Hills 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 30 EAST, NMPM
Section 2: SW/4 SW/4
Section 3: All
Section 4: E/2
Section 11: NW/4 NW/4

(cc) That the South Loco Hills 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 29 EAST, NMPM
Section 31: NE/4 NE/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 29: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM

Section 25: S/2

Section 36: All

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 1: N/2

(ff) That the Saunders Permo-Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMMPM

Section 16: SE/4

Section 28: NW/4

(gg) That the Scharb-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 4: SW/4

Section 5: SE/4

(hh) 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 29: SE/4

(ii) 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 29 EAST, NMPM

Section 19: W/2 NE/4 and NW/4 SE/4

Section 31: E/2

(jj) That the Vacuum-Abo Reef Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 9: SW/4

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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, discovery allowable assignments, deletions and extensions included herein shall be December 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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