Entered Zebruary 10, 1701

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. 7145 Order No. R-6576

THE APPLICATION OF THE OIL CONSERVATION DIVISION UPON ITS OWN MOTION FOR AN ORDER CREATING, CONTRACTING VERTICAL LIMITS AND EXTENDING 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 January 28, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of February, 1981, 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 gas from the Morrow formation, said pool to bear the designation of North Berry-Morrow Gas Pool. Said North Berry-Morrow Gas Pool was discovered by the Getty Oil Company Getty 6 State Com Well No. 1 located in Unit K of Section 6, Township 21 South, Range 34 East, NMPM. It was completed in the Morrow formation on September 5, 1980. The top of the perforations is at 13,451 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 Santa Rosa formation, said pool to bear the designation of Cooper-2-Case No. 7145 Order No. R-6576

Santa Rosa Gas Pool. Said Cooper-Santa Rosa Gas Pool was discovered by the O. H. Berry J. L. Isbell Well No. 5Y located in Unit A of Section 15, Township 24 South, Range 36 East, NMPM. It was completed in the Santa Rosa formation on June 20, 1978. The top of the perforations is at 645 feet.

(4) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Bone Springs formation, said pool to bear the designation of South Corbin-Bone Springs Pool. Said South Corbin-Bone Springs Pool was discovered by the Southland Royalty Company Federal 21 Com Well No. 1 located in Unit L of Section 21, Township 18 South, Range 33 East, NMPM. It was completed in the Bone Springs formation on October 10, 1980. The top of the perforations is at 9030 feet.

(5) 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 West Lynch-Morrow Gas Pool. Said West Lynch-Morrow Gas Pool was discovered by The Superior Oil Company West Lynch Deep Unit Well No. 1 located in Unit O of Section 28, Township 20 South, Range 34 East, NMPM. It was completed in the Morrow formation on September 12, 1980. The top of the perforations is at 13,724 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 Blinebry formation, said pool to bear the designation of West Nadine-Blinebry Pool. Said West Nadine-Blinebry Pool was discovered by the Tamarack Petroleum Company Speight Well No. 1 located in Unit D of Section 9, Township 20 South, Range 38 East, NMPM. It was completed in the Blinebry formation on October 25, 1980. The top of the perforations is at 6008 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 Atoka and Morrow formations, said pool to bear the designation of Nonombre Atoka-Morrow Gas Pool. Said Nonombre Atoka-Morrow Gas Pool was discovered by the Amoco Production Company State FO Well No. 3 located in Unit F of Section 32, Township 13 South, Range 34 East, NMPM. It was completed in the Atoka and Morrow formations on October 2, 1980. The top of the perforations is at 12,230 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 Southwest Quahada -3-Case No. 7145 Order No. R-6576

Ridge-Atoka Gas Pool. Said Southwest Quahada Ridge-Atoka Gas Pool was discovered by the Perry R. Bass Big Eddy Unit Well No. 71, located in Unit F of Section 7, Township 22 South, Range 29 East, NMPM. It was completed in the Atoka formation on January 17, 1980. The top of the perforations is at 11,542 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 Abo formation, said pool to bear the designation of Skaggs-Abo Gas Pool. Said Skaggs-Abo Gas Pool was discovered by the Conoco Inc. Britt B Well No. 27 located in Unit G of Section 15, Township 20 South, Range 37 East, NMPM. It was completed in the Abo formation on September 22, 1980. The top of the perforations is at 7046 feet.

(10) That there is need for the creation of a new pool in Roosevelt County, New Mexico, for the production of oil from the Granite Wash formation, said pool to bear the designation of Tanneyhill-Granite Wash Pool. Said Tanneyhill-Granite Wash Pool was discovered by the Energy Reserves Group, Inc. Bledsoe Well No. 1 located in Unit H of Section 11, Township 6 South, Range 33 East, NMPM. It was completed in the Granite Wash formation on September 15, 1980. The top of the perforations is at 7695 feet.

(11) That there is need for the contraction of the vertical limits of the Nonombre-Pennsylvanian Pool in Lea County, New Mexico, to the Cisco, Canyon, and Strawn formations only and the redesignation of said pool to Nonombre-Upper Pennsylvanian Pool.

(12) That there is need for certain extensions to the Tomahawk-San Andres Pool in Chaves County, New Mexico, the Atoka-Pennsylvanian Gas Pool, the Atoka-Yeso Pool, the Avalon-Delaware Pool, the Boyd-Morrow Gas Pool, the East Burton Flat-Atoka Gas Pool, the Burton Flat-Morrow Gas Pool, the Burton Flat-Strawn Gas Pool, the Crooked Creek-Morrow Gas Pool, the South Culebra Bluff-Atoka Gas Pool, the South Empire-Morrow Gas Pool, the Esperanza-Delaware Pool, the Hoag Tank-Morrow Gas Pool, the Malaga-Atoka Gas Pool, the West Malaga-Atoka Gas Pool, the East Millman Queen-Grayburg Pool, the Penasco Draw San Andres-Yeso Associated Pool, the Runyan Ranch-Abo Gas Pool, the Travis-Upper Pennsylvanian Gas Pool, the Turkey Track-Atoka Gas Pool, the Turkey Track-Morrow Gas Pool, the North Turkey Track-Morrow Gas Pool and the Turkey Track Seven Rivers-Queen-Grayburg Pool, all in Eddy County, New Mexico, the Antelope Ridge-Atoka Gas Pool, the Antelope Ridge-Morrow Gas Pool, the Comanche Stateline Tansill-Yates-Seven Rivers Pool, the Dollarhide Tubb-Drinkard Pool, the Eunice Monument Grayburg-San Andres Pool, the East Grama Ridge-Lower Bone Springs Pool, the East Grama Ridge-Morrow -4-Case No. 7145 Order No. R-6576

Gas Pool, the Hat Mesa-Morrow Gas Pool, the Northeast Lovington-Pennsylvanian Pool, the North Lusk-Morrow Gas Pool, the Maljamar Grayburg-San Andres Pool, the Maljamar-Morrow Gas Pool, the Nadine Drinkard-Abo Pool, the North Osudo-Morrow Gas Pool, the North Quail Ridge-Morrow Gas Pool, the Sioux Tansill-Yates-Seven Rivers Pool, the Skaggs-Drinkard Pool, and the Teas-Pennsylvanian Gas Pool, all in Lea County, New Mexico, and the South Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM Section 6: Lots 9, 10, 11, 12, 13, 14, 15, and 16

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

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM Section 15: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM Section 21: SW/4

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

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

(e) That a new pool in Lea County, New Mexico, classified as an oil pool for Blinebry production, is hereby created and designated as the West Nadine-Blinebry Pool, consisting of the -5-Case No. 7145 Order No. R-6576

following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 9: NW/4

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

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM Section 32: 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 Southwest Quahada Ridge-Atoka Gas Pool, consisting of the following described area:

> TOWNSHIP 22 SOUTH, RANGE 29 EAST, NMPM Section 7: N/2

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

I

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.

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM Section 15: NE/4

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

> TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM Section 11: NE/4

(j) That the vertical limits of the Nonombre-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, are hereby contracted to the Cisco, Canyon, and Strawn formations only and said pool redesignated to Nonombre-Upper Pennsylvanian Pool.

(k) 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 23 SOUTH, RANGE 34 EAST, NMPM Section 14: W/2

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(1) 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 14: All

(m) That the Atoka-Pennsylvanian Gas 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 9: All Section 10: W/2

(n) That the Atoka-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 26: SW/4 SW/4 Section 27: S/2 S/2

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM Section 36: N/2 SE/4

(p) 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: N/2

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

> TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM Section 8: N/2 Section 9: W/2

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(r) 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
 20
 SOUTH, RANGE
 27
 EAST, NMPM

 Section
 35:
 E/2

 TOWNSHIP
 21
 SOUTH, RANGE
 26
 EAST, NMPM

 Section
 1:
 Lots
 9, 10, 11, 12, 13, 14, 15, and 16

(s) That the Burton Flat-Strawn 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 9: S/2

(t) That the Comanche Stateline 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 21: E/2

(u) That the Crooked Creek-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 10: S/2

(v) That the South Culebra Bluff-Atoka 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 13: W/2

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

> TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM Section 18: SW/4

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(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 17 SOUTH, RANGE 28 EAST, NMPM Section 24: S/2

> TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM Section 14: E/2

(y) That the Esperanza-Delaware 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 10: S/2 NE/4

(z) That the Eunice Monument Grayburg-San Andres 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 27: SW/4

(aa) That the East Grama Ridge-Lower Bone Springs 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: NW/4 Section 3: NE/4

(bb) 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 1: E/2 TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM Section 6: All

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM Section 13: N/2 -9-Case No. 7145 Order No. R-6576

(dd) 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 27: All

(ee) 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 36 EAST, NMPM Section 13: E/2 Section 24: NE/4

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

> TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM Section 5: E/2

(gg) That the 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 3: W/2

(hh) 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 9: N/2

(ii) That the Maljamar Grayburg-San Andres 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 24: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM Section 28: W/2 -10-Case No. 7145 Order No. R-6576

(kk) That the East Millman Queen-Grayburg 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 24: NW/4 NE/4

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

> TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM Section 27: NE/4

(mm) 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 19 SOUTH, RANGE 36 EAST, NMPM Section 31: E/2 Section 32: All TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM Section 16: All

(nn) That the Penasco Draw San Andres-Yeso Associated 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 24: N/2 SE/4

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

> TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM Section 2: Lots 1 and 2

(pp) That the North Quail Ridge-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 1: E/2

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

> TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM Section 8: S/2 Section 9: SW/4

(rr) 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 17: E/2

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

| TOWNSHIP | P 20 | SOUTH, | RANGE | 38 | EAST, | NMPM |
|----------|------|--------|-------|----|-------|------|
| Section | 9: | W/2 | | | | |
| Section | 16: | NW/4 | | | | |
| Section | 17: | N/2 | | | | |

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

> TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM Section 11: N/2

(uu) That the Tomahawk-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: SW/4

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

| | | SOUTH, RAM | EAST, | <u>NMPM</u> |
|---------|-----|------------|-------|-------------|
| Section | 13: | S/2 NW/4 | | |
| Section | 14: | SE/4 | | |

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(ww) 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 10: W/2

(xx) 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 10: All

(yy) 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 29 EAST, NMPM Section 20: E/2 Section 33: S/2 Section 34: S/2

(zz) That the Turkey Track-Seven Rivers-Queen-Grayburg 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 27: E/2 NW/4

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 nonstandard 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. -13-Case No. 7145 Order No. R-6576

(2) That the effective date of this order and all creations, contractions, and extensions included herein shall be February 1, 1981.

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

> STATE OF NEW MEXICO OTL CONSERVATION DIVISION

JOE D. RAMEY they

Director

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