

Entered June 2, 1981  
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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. 7260  
Order No. R-6698

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER CREATING, ABOLISHING, CONTRACTING  
VERTICAL LIMITS, AND EXTENDING HORIZONTAL  
LIMITS OF CERTAIN EXISTING POOLS IN 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 May 20, 1981,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of June, 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 Atoka  
formation, said pool to bear the designation of West Antelope  
Ridge-Atoka Gas Pool. Said West Antelope Ridge-Atoka Gas Pool  
was discovered by the Monsanto Company Back Basin Well No. 1  
located in Unit I of Section 20, Township 23 South, Range 34 East,  
NMPM. It was completed in the Atoka formation on February 15,  
1981. The top of the perforations is at 12,620 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 Strawn  
formation, said pool to bear the designation of Antelope Ridge-  
Strawn Gas Pool. Said Antelope Ridge-Strawn Gas Pool was dis-  
covered by the Estoril Production Corporation Curry Federal Well  
No. 1 located in Unit I of Section 22, Township 23 South, Range

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34 East, NMPM. It was completed in the Strawn formation on January 13, 1981. The top of the perforations is at 12,049 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 Montoya formation, said pool to bear the designation of Fowler-Montoya Pool. Said Fowler-Montoya Pool was discovered by the Gulf Oil Corporation Lillie Well No. 1 located in Unit D of Section 23, Township 24 South, Range 37 East, NMPM. It was completed in the Montoya formation on October 30, 1980. The top of the perforations is at 8664 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 Atoka formation, said pool to bear the designation of Grama Ridge-Atoka Gas Pool. Said Grama Ridge-Atoka Gas Pool was discovered by the Minerals, Inc. Llano 33 State Well No. 1 located in Unit J of Section 33, Township 21 South, Range 34 East, NMPM. It was completed in the Atoka formation on March 13, 1981. The top of the perforations is at 12,851 feet.

(6) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of McMillan-Wolfcamp Gas Pool. Said McMillan-Wolfcamp Gas Pool was discovered by the Marbob Energy Corporation State CJ Com Well No. 1 located in Unit G of Section 24, Township 20 South, Range 26 East, NMPM. It was completed in the Wolfcamp formation on November 19, 1980. The top of the perforations is at 7867 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 Osudo-Bone Spring Pool. Said North Osudo-Bone Spring Pool was discovered by the Jake L. Hamon Hamon-Samedan Petty Well No. 1 located in Unit N of Section 8, Township 20 South, Range 36 East, NMPM. It was completed in the Bone Spring formation on January 19, 1981. The top of the perforations is at 8233 feet.

(8) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of West Palmillo-Wolfcamp Pool. Said West Palmillo-Wolfcamp Pool was discovered by the Bass Enterprises Production Company Palmillo State Well No. 1 located in Unit J of Section 1, Township 19 South, Range 28 East, NMPM. It was completed in the Wolfcamp

formation on June 11, 1980. The top of the perforations is at 8693 feet.

(9) 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 Scoggin Draw-Atoka Gas Pool. Said Scoggin Draw-Atoka Gas Pool was discovered by the Amoco Production Company Federal F Gas Com Well No. 1 located in Unit G of Section 3, Township 18 South, Range 27 East, NMPM. It was completed in the Atoka formation on February 25, 1980. The top of the perforations is at 9344 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 Cisco formation, said pool to bear the designation of East Tanneyhill-Cisco Pool. Said East Tanneyhill-Cisco Pool was discovered by the Energy Reserves Group, Inc. El Paso State Well No. 1 located in Unit P of Section 8, Township 6 South, Range 34 East, NMPM. It was completed in the Cisco formation on January 20, 1981. The top of the perforations is at 7679 feet.

(11) That there is need for the abolishment of the Carlsbad-Canyon Gas Pool in Eddy County, New Mexico, in order that the acreage may be included in the East Carlsbad-Wolfcamp Gas Pool.

(12) That there is need for the abolishment of the Carlsbad Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico, in order that the acreage may be included in the East Carlsbad-Wolfcamp Gas Pool.

(13) That there is need for the contraction of the vertical limits of the Shugart-Pennsylvanian Gas Pool in Eddy County, New Mexico, to the Morrow formation only and the redesignation of said pool to Shugart-Morrow Gas Pool. Further, that the Amoco Production Company Greenwood Unit Well No. 2, located in Unit G of Section 34, Township 18 South, Range 31 East, NMPM, which has been completed in and producing from both the Atoka and Morrow formations since 1958, should be permitted to continue to so produce as commingled Shugart-Morrow and undesigned Atoka but for statistical purposes should be considered to be producing from the Shugart-Morrow Gas Pool only.

(14) That there is need for certain extensions to the Baldrige Canyon-Morrow Gas Pool, the East Carlsbad-Wolfcamp Gas Pool, the Catclaw Draw-Morrow Gas Pool, the Diamond Mound-Morrow Gas Pool, the Dublin Ranch-Atoka Gas Pool, the East Empire Yates-Seven Rivers Pool, the North McMillan-Morrow Gas Pool, the Malaga-Morrow Gas Pool, the Shugart-Morrow Gas Pool, and the North

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Shugart-Morrow Gas Pool, all in Eddy County, New Mexico, and the Abum-Upper Pennsylvanian Pool, the North Caprock-Mississippian Pool, the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool, the Hare-San Andres Gas Pool, the South Kemnitz Atoka-Morrow Gas Pool, the Maljamar-Strawn Pool, the South Salt Lake-Morrow Gas Pool, and the East Weir-Blinebry Pool, all in Lea County, New Mexico, and the North Peterson-Pennsylvanian Pool in Roosevelt County, New Mexico.

(15) That there is need to dismiss the proposed extension to the Bull's Eye-San Andres Pool in Chaves County, New Mexico, due to an error in advertising.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 20: E/2

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 15: S/2  
Section 22: All

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 23: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM  
Section 33: S/2

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

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM  
Section 24: 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 Osudo-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM  
Section 8: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 1: NW/4 SE/4

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

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 3: E/2

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

TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM  
Section 8: SE/4

(j) That the Carlsbad-Canyon Gas Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 21: S/2

is hereby abolished.

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(k) That the Carlsbad Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 15: All

is hereby abolished.

(l) 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 23 SOUTH, RANGE 24 EAST, NMPM  
Section 36: S/2

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM  
Section 31: S/2

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM  
Section 1: E/2  
Section 12: E/2

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM  
Section 6: W/2  
Section 7: N/2

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

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM  
Section 30: SE/4

(n) That the proposed extension to the Bull's Eye-San Andres Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 12: N/2 SE/4

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

is hereby dismissed.

(o) That the North Caprock-Mississippian Pool in Lea County, New Mexico, as heretofore classified, defined, and described,

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is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM  
Section 5: SE/4

(p) That the East Carlsbad-Wolfcamp 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 14: N/2  
Section 15: All  
Section 16: E/2  
Section 20: E/2  
Section 21: All

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

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM  
Section 33: E/2

(r) That the Comanche Stateline Tansill-Yates-Seven Rivers-Queen 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 20: E/2 NE/4

(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 6: S/2

(t) That the Dublin Ranch-Atoka 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 22: S/2  
Section 27: N/2

(u) That the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, as heretofore classified, defined, and

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described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 23: NW/4 SW/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 21: S/2

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM  
Section 30: E/2

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 21: S/2

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

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM  
Section 28: W/2

(z) That the Malaga-Morrow 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 10: S/2  
Section 23: N/2

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

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM  
Section 16: NW/4  
Section 17: SE/4



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(bb) That the South Salt Lake-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 5: Lots 1, 2, 3, 4, 5, 6, 7,  
and 8

(cc) That the vertical limits of the Shugart-Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, are hereby contracted to the Morrow formation only and said pool redesignated to Shugart-Morrow Gas Pool, and the horizontal limits of said Shugart-Morrow Gas Pool extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 26: N/2

Provided however, that the Amoco Production Company Greenwood Unit Well No. 2, located in Unit G of Section 34, Township 18 South, Range 31 East, NMPM, is hereby authorized to commingle undesignated Atoka and Shugart-Morrow production in the wellbore and to report all of said production as Shugart-Morrow Gas Pool production.

(dd) That the North Shugart-Morrow Gas 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 7: E/2  
Section 18: All

(ee) That the East Weir-Blinebry 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 7: N/2 N/2  
Section 8: N/2 N/2  
Section 9: W/2 NW/4

IT IS FURTHER ORDERED:

(1) That pursuant to Section 70-2-18, NMSA 1978, any well which by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger

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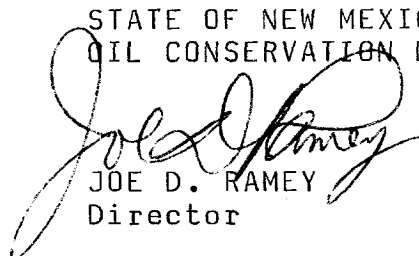
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than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. 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, abolishments, contractions, and extensions included herein shall be June 1, 1981.

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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