

Entered January 22, 1982
JH

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. 7447
Order No. R-6876

THE APPLICATION OF THE OIL
CONSERVATION DIVISION UPON
ITS OWN MOTION FOR AN ORDER
CREATING, ASSIGNING A DISCOVERY
ALLOWABLE, CONTRACTING AND
EXTENDING 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 December 16, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of January, 1982, 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 Upper Pennsylvanian formation, said pool to bear the designation of Draper Mill-Upper Pennsylvanian Gas Pool with vertical limits defined as from the top of the Pennsylvanian formation at 14,128 feet to the top of the Morrow formation at 15,003 feet as found on the log of the discovery well, the HNG Oil Company Vaca Draw 16 State Well No. 1 located in Unit E of Section 16, Township 25 South, Range 33 East, NMPM. It was completed in the Upper Pennsylvanian formation on September 23, 1981. The top of the perforations is at 14,248 feet.

(3) 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 Dora-Pennsylvanian Pool. Said Dora-Pennsylvanian Pool was discovered by the Enserch Exploration, Inc. Annie Harvey Well No. 1 located in Unit J of Section 6, Township 5 South, Range 33 East, NMPM. It was completed in the Pennsylvanian formation on July 19, 1981. The top of the perforations is at 8,190 feet.

(4) That there is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Montoya formation, said pool to bear the designation of Lightcap-Montoya Gas Pool. Said Lightcap-Montoya Gas Pool was discovered by the Aikman Petroleum, Inc. Sanders Well No. 1 located in Unit E of Section 8, Township 8 South, Range 30 East, NMPM. It was completed in the Montoya formation on September 21, 1981. The top of the perforations is at 7,903 feet.

(5) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Cherry Canyon formation, said pool to bear the designation of Loving-Cherry Canyon Pool. Further, that the discovery well for said pool, the Pogo Production Company NEL Well No. 2 located in Unit I of Section 9, Township 23 South, Range 28 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 18,240 barrels, to be assigned over a two-year period. Said discovery well was completed in the Cherry Canyon formation on August 1, 1981. The top of the perforations is at 3,648 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 Strawn formation, said pool to bear the designation of Midway-Strawn Pool. Said Midway-Strawn Pool was discovered by the David Fasken Consolidated State Well No. 2 located in Unit A of Section 8, Township 17 South, Range 37 East, NMPM. It was completed in the Strawn formation on July 2, 1981. The top of the perforations is at 10,725 feet.

(7) 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 Pecos Slope-Abo Gas Pool. Said Pecos Slope-Abo Gas Pool was discovered by the Yates Petroleum Corporation Federal HY Well No. 2 located in Unit O of Section 33, Township 7 South, Range 25 East, NMPM. It was completed in the Abo formation on May 16, 1979. The top of the perforations is at 3,548 feet.

(8) 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 West Pecos Slope-Abo Gas Pool. Said West Pecos Slope-Abo Gas Pool was discovered by the Mesa Petroleum Company Rock Federal Well No. 1 located in Unit J of Section 7, Township 8 South, Range 23 East, NMPM. It was completed in the Abo formation on October 7, 1980. The top of the perforations is at 2,810 feet.

(9) 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 Red Bluff-Bone Spring Pool. Said Red Bluff-Bone Spring Pool was discovered by the HCW Exploration, Inc. Dorstate Well No. 1 located in Unit H of Section 27, Township 25 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on July 8, 1981. The top of the perforations is at 6,412 feet.

(10) 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 Willow Lake-Bone Spring Pool. Said Willow Lake-Bone Spring Pool was discovered by the Maddox Energy, Inc. Union Federal Well No. 1 located in Unit H of Section 33, Township 24 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on August 6, 1981. The top of the perforations is at 6,155 feet.

(11) That there is need for the contraction of the vertical limits of the North Shoebar-Pennsylvanian Pool in Lea County, New Mexico, to the Strawn formation only and the redesignation of said pool to Northwest Shoebar-Strawn Pool.

(12) That there is need for certain extensions to the Diamond Mound-Morrow Gas Pool, the Tomahawk-San Andres Pool, and the Twin Lakes-San Andres Associated Pool, all in Chaves County, New Mexico, and the Avalon-Morrow Gas Pool, the Bunting Ranch-Morrow Gas Pool, the West Burton Flat-Atoka Gas Pool, the South Culebra Bluff-Bone Spring Pool, the North Loving-Morrow Gas Pool, the South Millman-Morrow Gas Pool, the Penasco Draw San Andres-Yeso Associated Pool, the Robina Draw-Morrow Gas Pool, and the Turkey Track-Atoka Gas Pool, all in Eddy County, New Mexico, and the South Bell Lake-Morrow Gas Pool, the Gem-Morrow Gas Pool, the Inbe-Permo Pennsylvanian Pool, the West Nadine-Blinebry Pool, the Nadine Drinkard-Abo Pool, the Oil Center-Blinebry Pool, the Oil Center-Glorieta Gas Pool, the Sawyer-San Andres Associated Pool, the North Shoebar-Wolfcamp Pool, and the Townsend-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 a gas pool for Upper Pennsylvanian production is hereby created and designated as the Draper Mill-Upper Pennsylvanian Gas Pool, with vertical limits defined as being from the top of the Pennsylvanian formation at 14,128 feet to the top of the Morrow formation at 15,003 feet as found on the log of the discovery well, the HNG Oil Company Vaca Draw 16 State Well No. 1 located in Unit E of Section 16, Township 25 South, Range 33 East, NMPM, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 16: W/2

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

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 6: SE/4

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

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 8: W/2

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 9: SE/4

Further, that the discovery well for said Loving-Cherry Canyon Pool, being Pogo Production Company NEL Well No. 2 located in Unit I of Section 9, Township 23 South, Range 28 East, NMPM, is hereby assigned a bonus discovery allowable in the amount of 18,240 barrels to be produced over a two-year period.

(e) That a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production is hereby created and

-5-

Case No. 7447
Order No. R-6876

designated as the Midway-Strawn Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 8: NE/4

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

TOWNSHIP 4 SOUTH, RANGE 24 EAST, NMPM
Section 35: SE/4
Section 36: S/2

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

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM
Section 1: All
Section 2: E/2 and SW/4
Section 9: SE/4
Sections 10 through 15: All
Section 16: E/2
Section 21: E/2
Sections 22 through 27: All
Section 28: E/2
Section 31: S/2
Section 32: S/2
Section 33: E/2 and SW/4
Sections 34 through 36: All

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM
Section 6: W/2
Section 7: NW/4
Section 31: W/2 and SE/4
Section 32: S/2

TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM
Section 1: All

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM
Sections 1 through 36: All

-6-

Case No. 7447

Order No. R-6876

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPM

Sections 1 through 5: All

Section 6: E/2

Section 7: N/2

Sections 8 through 12: All

Section 13: N/2 and SE/4

Section 14: N/2

Section 15: N/2

Section 16: All

Section 17: All

Section 20: N/2

Section 21: All

Section 28: All

Section 33: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM

Section 18: S/2

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

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM

Section 12: NW/4 and E/2

Section 13: E/2

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM

Section 6: S/2

Section 7: All

Section 8: S/2

Section 18: N/2 and SW/4

(h) 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 Red Bluff-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM

Section 27: NE/4

(i) 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 Willow Lake-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 33: NE/4

-7-

Case No. 7447

Order No. R-6876

(j) That the vertical limits of the North Shoebar-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, are hereby contracted to the Strawn formation only and said pool redesignated to the Northwest Shoebar-Strawn Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 15: SE/4

(k) That the Avalon-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 28: S/2
Section 29: E/2
Section 32: E/2

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 2: Lots 9, 10, 15, 16 and
SE/4

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

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 13: E/2

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 17: All

(m) That the Bunting Ranch-Morrow 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 30: S/2
Section 31: N/2

(n) That the West 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 28 EAST, NMPM
Section 30: E/2

-8-

Case No. 7447

Order No. R-6876

(o) 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 25: N/2 SW/4 and NW/4

Section 26: NE/4 and S/2

Section 27: S/2 SE/4

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

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM

Section 35: N/2

(q) 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 32 EAST, NMPM

Section 36: E/2

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 31: NW/4

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

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM

Section 14: NE/4

(s) 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 30: E/2

(t) That the South Millman-Morrow 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 30: N/2

(u) That the West Nadine-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 8: SE/4
Section 9: SW/4

(v) 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 22: NE/4

(w) That the Oil Center-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 11: E/2 SW/4

(x) That the Oil Center-Glorieta Gas 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 11: NE/4

(y) 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 24 EAST, NMPM
Section 35: S/2 NE/4 and SE/4
Section 36: S/2

(z) That the Robina 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 24 EAST, NMPM
Section 6: E/2
Section 7: E/2

(aa) That the Sawyer-San Andres Associated Pool in Lea County, New Mexico, as heretofore classified, defined, and

described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM
Section 36: NE/4

(bb) That the North Shoebar-Wolfcamp 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 15: SE/4

(cc) 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 36: SW/4

(dd) That the Townsend-Morrow 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 23: N/2

(ee) 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 18 SOUTH, RANGE 29 EAST, NMPM
Section 22: S/2
Section 27: All
Section 34: E/2
Section 35: W/2

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 2: N/2
Section 3: All

(ff) 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 9 SOUTH, RANGE 29 EAST, NMPM
Section 7: NE/4

-11-

Case No. 7447

Order No. R-6876

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, contractions of vertical limits, and extensions included herein shall be January 1, 1982.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

fd/