

Entered September 27, 1982
JGR

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. 7672
Order No. R-7076

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 September 15, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of September, 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 that the proposed creation of a new oil pool with a discovery allowable in Eddy County, New Mexico, to be designated as the Brushy Draw-Brushy Canyon Pool, be dismissed.

(3) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Hobbs Channel-San Andres Pool. Said Hobbs Channel-San Andres Pool was discovered by the Bass Enterprises Production Company Humble City Unit Well No. 1 located in Unit D of Section 36, Township 17 South, Range 37 East, NMPM. It was completed in the San Andres formation on June 22, 1982. The top of the perforations is at 7,049 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 Morrow formation, said pool to bear the designation of Humphreys Mill-Morrow Gas Pool. Said Humphreys Mill-Morrow Gas Pool was discovered by the Florida Exploration Company Reno Com Well No. 1 located in Unit D of Section 11, Township 25 South, Range 35 East, NMPM. It was completed in the Morrow formation on May 9, 1982. The top of the perforations is at 15,260 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 Abo formation, said pool to bear the designation of Justis-Abo Pool. Said Justis-Abo Pool was discovered by the Santa Fe Energy Company Carlson B-25 Fed Well No. 3 located in Unit O of Section 25, Township 25 South, Range 37 East, NMPM. It was completed in the Abo formation on April 21, 1982. The top of the perforations is at 6,182 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 Upper Pennsylvanian formation, said pool to bear the designation of McMillan-Upper Pennsylvanian Gas Pool. Said McMillan-Upper Pennsylvanian Gas Pool was discovered by the Southland Royalty Company Pecos River Federal 30 Com Well No. 1 located in Unit J of Section 20, Township 19 South, Range 27 East, NMPM. It was completed in the Upper Pennsylvanian formation on May 24, 1980. The top of the perforations is at 8,186 feet.

(7) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Mosley Canyon-Strawn Gas Pool. Said Mosley Canyon-Strawn Gas Pool was discovered by the W. A. Moncrief, Jr. Jurnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, NMPM. It was completed in the Strawn formation on February 15, 1982. The top of the perforations is at 9,684 feet.

(8) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Tubb formation, said pool to bear the designation of West Nadine-Tubb Pool. Said West Nadine-Tubb Pool was discovered by the Tamarack Petroleum Company, Inc. Kornegay A Well No. 1 located in Unit F of Section 9, Township 20 South, Range 38 East, NMPM. It was completed in the Tubb formation on March 24, 1982. The top of the perforations is at 6,460 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 Morrow formation, said pool to bear the designation of Pitchfork Ranch-Morrow Gas Pool. Said Pitchfork Ranch-Morrow Gas Pool was discovered by the HNG Oil Company Madera 32 State Com Well No. 1 located in Unit C of Section 32, Township 24 South, Range 34 East, NMPM. It was completed in the Morrow formation on April 7, 1982. The top of the perforations is at 14,723 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 Yeso formation, said pool to bear the designation of Seven Rivers-Yeso Pool. Said Seven Rivers-Yeso Pool was discovered by the Chama Petroleum Corporation Irami Fed. Well No. 1 located in Unit N of Section 34, Township 19 South, Range 25 East, NMPM. It was completed in the Yeso formation on April 24, 1982. The top of the perforations is at 2,408 feet.

(11) That there is need that the proposed creation of a new oil pool in Lea County, New Mexico, to be designated as the East Skaggs-Abo Pool be dismissed. The revised gas-oil ratio of the discovery well, the Texaco Inc. C. H. Weir A Well No. 12 located in Unit G of Section 12, Township 20 South, Range 37 East, NMPM, indicates the well should be reclassified to a gas well.

(12) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Tubb formation, said pool to bear the designation of Teague-Tubb Pool. Said Teague-Tubb Pool was discovered by the Alpha Twenty-One Production Company Lea Well No. 2 located in Unit A of Section 17, Township 23 South, Range 37 East, NMPM. It was completed in the Tubb formation on March 17, 1982. The top of the perforations is at 6,138 feet.

(13) 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 Townsend-Devonian Pool. Said Townsend-Devonian Pool was discovered by the Kimbark Oil and Gas Company New Mexico 1-4 State Com Well No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, NMPM. It was completed in the Devonian formation on April 19, 1982. The top of the perforations is at 13,100 feet.

(14) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the

-4-

Case No. 7672
Order No. R-7076

Bone Spring formation, said pool to bear the designation of Welch-Bone Spring Pool. Said Welch-Bone Spring Pool was discovered by the Quanah Petroleum, Inc. Hay B Federal Com Well No. 1 located in Unit K of Section 9, Township 26 South, Range 27 East, NMPM. It was completed in the Bone Spring formation on March 31, 1982. The top of the perforations is at 6,100 feet.

(15) That there is need for the contraction of the horizontal limits of the Buckeye-Abo Pool in Lea County, New Mexico, in order to correct an overlap with the Vacuum-Abo Reef Pool.

(16) That there is need for the contraction of the horizontal limits of the Vacuum-Abo Reef Pool in Lea County, New Mexico, in order to correct an overlap with the Buckeye-Abo Pool.

(17) That there is need for certain extensions to the Race Track-San Andres Pool in Chaves County, New Mexico, and the Antelope Sink-Upper Pennsylvanian Gas Pool, the Atoka-Yeso Pool, the Bunker Hill-Penrose Pool, the Cemetery-Morrow Gas Pool, the South Empire-Morrow Gas Pool, the South Empire-Wolfcamp Pool, the Forty Niner Ridge-Bone Spring Pool, the Ross Draw-Wolfcamp Gas Pool, and the Sand Dunes-Atoka Gas Pool, all in Eddy County, New Mexico, and the West Arkansas Junction-San Andres Pool, the Bilbrey-Morrow Gas Pool, the Comanche Stateline Tansill-Yates-Seven Rivers-Queen Pool, the Hardy-Tubb Pool, the Northeast Lovington-Pennsylvanian Pool, and the Saunders Permo-Upper Pennsylvanian Pool, all in Lea County, New Mexico, and the West Milnesand-Pennsylvanian Pool and the South Peterson-Pennsylvanian Associated Pool, both in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That the proposed creation of a new pool in Eddy County, New Mexico, classified as an oil pool for Brushy Canyon production with a discovery allowable of 25,410 barrels and designated as the Brushy Draw-Brushy Canyon Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 25: SW/4

is hereby dismissed.

-5-

Case No. 7672
Order No. R-7076

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 36: NW/4

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

TOWNSHIP 25 SOUTH, RANGE 35 EAST, NMPM
Section 11: N/2

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

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM
Section 25: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 20: E/2

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

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM
Section 8: N/2

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

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

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

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 32: N/2

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 34: SW/4

(j) That the proposed creation of a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the East Skaggs-Abo Pool consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 12: NE/4

is hereby dismissed.

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 17: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: Lots 11, 12, 13, and 14

(m) 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 Welch-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM
Section 9: SW/4

-7-

Case No. 7672
Order No. R-7076

(n) That the Buckeye-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 3: W/2 NW/4.

(o) That the Vacuum-Abo Reef Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 3: E/2 NW/4

(p) That the Antelope Sink-Upper Pennsylvanian 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 13: N/2
Section 14: N/2

(q) 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: NW/4

(r) 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: E/2

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 5: NW/4
Section 6: E/2

(t) That the Bunker Hill-Penrose Pool in Eddy County, New Mexico, as heretofore classified, defined, and described,

-8-

Case No. 7672

Order No. R-7076

is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 14: N/2 S/2 and NE/4

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 3: S/2
Section 4: All

(v) 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 26: NW/4
Section 27: NE/4 and E/2 NW/4

(w) 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 35: S/2
Section 36: W/2

(x) That the South Empire-Wolfcamp 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 36: E/2 NE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 31: NW/4 and S/2 NE/4

(y) That the Forty Niner Ridge-Bone Spring 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 16: SE/4

(z) That the Hardy-Tubb 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 2: Lots 11, 12, 13, 14, and
S/2
Section 11: NW/4

(aa) 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 20: NW/4

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

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
Section 19: W/2

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

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM
Section 30: SE/4
Section 31: N/2 NE/4

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM
Section 15: S/2

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

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM
Section 18: NE/4 and N/2 SE/4

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

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 23: S/2
Section 26: N/2

-10-

Case No. 7672

Order No. R-7076

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 17: S/2

Section 20: All

(gg) 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, NMPM

Section 21: NE/4

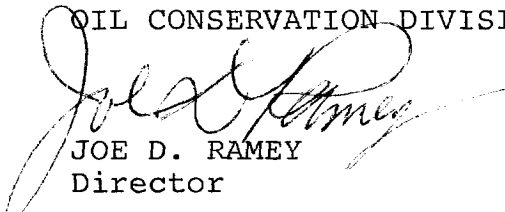
IT IS FURTHER ORDERED:

(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 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 the allowable.

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