

Entered December 8, 1982

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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. 7751
Order No. R-7158

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING 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 9:00 a.m. on December 1, 1982, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of December, 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 oil from the Bone Spring formation, said pool to bear the designation of North Antelope Ridge-Bone Spring Pool. Said North Antelope Ridge-Bone Spring Pool was discovered by the Mid-American Petroleum, Inc. Maddox Well No. 1 located in Unit L of Section 12, Township 23 South, Range 34 East, NMPM. It was completed in the Bone Spring formation on August 5, 1982. The top of the perforations is at 8,554 feet.

(3) 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 Chalk Bluff-Wolfcamp Pool. Said Chalk Bluff-Wolfcamp Pool was discovered by the Amoco Production Company Federal F Gas Com Well

-2-

Case No. 7751
Order No. R-7158

No. 1 located in Unit G of Section 3, Township 18 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on July 21, 1982. The top of the perforations is at 7,036 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 Spring formation, said pool to bear the designation of Diamondtail-Bone Spring Pool. Said Diamondtail-Bone Spring Pool was discovered by The Superior Oil Company Triste Draw Federal Well No. 2 located in Unit J of Section 14, Township 23 South, Range 32 East, NMPM. It was completed in the Bone Spring formation on August 4, 1982. The top of the perforations is at 9,512 feet.

(5) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Nimenim Ridge-Morrow Gas Pool. Said Nimenim Ridge-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Benson Deep Unit Well No. 2 located in Unit E of Section 34, Township 18 South, Range 30 East, NMPM. It was completed in the Morrow formation on June 16, 1982. The top of the perforations is at 11,797 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 Bone Spring formation, said pool to bear the designation of Red Bluff-Bone Spring Gas Pool. Said Red Bluff-Bone Spring Gas Pool was discovered by the Pogo Production Company Federal 11 Well No. 1 located in Unit A of Section 12, Township 26 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on August 3, 1982. The top of the perforations is at 6,480 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 East Red Tank-Bone Spring Pool. Said East Red Tank-Bone Spring Pool was discovered by the Yates Petroleum Corporation Pronghorn Unit Well No. 2 located in Unit H of Section 30, Township 22 South, Range 33 East, NMPM. It was completed in the Bone Spring formation on June 2, 1982. The top of the perforations is at 10,563 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 Robina Draw-Atoka Gas Pool. Said Robina Draw-Atoka Gas Pool was

-3-

Case No. 7751

Order No. R-7158

discovered by the Amoco Production Company Federal BL Well No. 1 located in Unit B of Section 17, Township 23 South, Range 24 East, NMPM. It was completed in the Atoka formation on February 15, 1982. The top of the perforations is at 9,996 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 Strawn formation, said pool to bear the designation of Sand Tank-Strawn Gas Pool. Said Sand Tank-Strawn Gas Pool was discovered by the Southland Royalty Company Holly 5 Federal Well No. 1 located in Unit O of Section 5, Township 18 South, Range 30 East, NMPM. It was completed in the Strawn formation on July 2, 1982. The top of the perforations is at 10,517 feet.

(10) That there is need for certain extensions to the Bull's Eye-San Andres Pool and the Haystack-Cisco Gas Pool, both in Chaves County, New Mexico, and the Atoka-Yeso Pool, the Black River-Morrow Gas Pool, the Brushy Draw-Cherry Canyon Pool, the East Burton Flat-Strawn Gas Pool, the Esperanza-Delaware Pool, the Golden Lane-Atoka Gas Pool, the Hoag Tank-Morrow Gas Pool, the East Lake-Morrow Gas Pool, the Malaga-Atoka Gas Pool, the North Millman-San Andres Pool, the Mosley Canyon-Strawn Gas Pool, the West Parkway-Atoka Gas Pool, the Penasco Draw-Permo Pennsylvanian Gas Pool, the Red Lake Queen-Grayburg-San Andres Pool, the West Sand Dunes-Morrow Gas Pool, the Seven Rivers-Yeso Pool, and the North Shugart-Atoka Gas Pool, all in Eddy County, New Mexico, and the Antelope Ridge-Atoka Gas Pool, the Bilbrey-Morrow Gas Pool, the North Eidson-Morrow Gas Pool, the Lea-Bone Spring Pool, the Pitchfork Ranch-Morrow Gas Pool, the North Shoe Bar-Wolfcamp Pool, and the Warren-Tubb Gas Pool, all in Lea County, New Mexico, and the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED:

(a) 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 Antelope Ridge-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 12: SW/4

-4-

Case No. 7751
Order No. R-7158

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

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

(c) 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 Diamondtail-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 34: W/2

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

TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM
Section 12: NE/4

(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 East Red Tank-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 30: NE/4

(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 Robina Draw-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 17: N/2

-5-

Case No. 7751

Order No. R-7158

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

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 5: S/2

(i) 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 22 SOUTH, RANGE 34 EAST, NMPM
Section 35: S/2

(j) 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 34: S/2 SW/4, NE/4 SW/4, S/2
NE/4, and SE/4

(k) That the Bilbrey-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 29: W/2
Section 32: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM
Section 1: S/2
Section 2: S/2
Section 10: E/2
Section 11: N/2

(m) That the Brushy Draw-Cherry Canyon Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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

-6-

Case No. 7751
Order No. R-7158

(n) 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 7 SOUTH, RANGE 29 EAST, NMPM
Section 30: S/2 SW/4
Section 31: W/2

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 6: NW/4

(o) That the East Burton Flat-Strawn 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 9: E/2
Section 10: All
Section 11: All

(p) That the North Eidson-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 1: Lots 1 through 14

(q) 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 3: S/2 S/2
Section 4: All

(r) That the Golden Lane-Atoka 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 1: Lots 1, 2, 7, 8, 9, 10,
15, and 16

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 6: Lots 3, 4, 5, 6, 11, 12,
13, and 14

-7-

Case No. 7751
Order No. R-7158

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

TOWNSHIP 6 SOUTH, RANGE 27 EAST, NMPM
Section 20: All

(t) 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 35: W/2

(u) That the East Lake-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 6: E/2
Section 7: E/2
Section 18: E/2

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 26: E/2

(w) That the East 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 25: W/2

(x) 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 13: W/2
Section 14: N/2

(y) That the North Millman-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described,

-8-

Case No. 7751

Order No. R-7158

is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 1: S/2 SE/4

Section 12: N/2 NE/4

(z) That the Mosley Canyon-Strawn 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 1: E/2

Section 12: E/2

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM

Section 7: N/2

(aa) That the West Parkway-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 27: N/2

(bb) 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 25 EAST, NMPM

Section 18: N/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 6 SOUTH, RANGE 34 EAST, NMPM

Section 17: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 28: S/2

Section 29: SE/4

-9-

Case No. 7751

Order No. R-7158

(ee) That the Red Lake Queen-Grayburg-San Andres 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 9: W/2 SE/4

(ff) That the West Sand Dunes-Morrow 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: E/2

(gg) That the Seven Rivers-Yeso Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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

(hh) That the North Shoe Bar-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 13: NE/4

(ii) That the North Shugart-Atoka 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 26: N/2
Section 27: N/2
Section 28: N/2

(jj) That the Warren-Tubb 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 23: SE/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

-10-

Case No. 7751

Order No. R-7158

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 and extensions included herein shall be January 1, 1983.

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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