

Entered February 25, 1983
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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. 7802
Order No. R-7222

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, ABOLISHING, AND EXTEND-
ING VERTICAL AND HORIZONTAL LIMITS OF
CERTAIN POOLS IN EDDY AND LEA COUNTIES,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on February 16, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 25th day of February, 1983, 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 Eddy County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of Hay Hollow-Bone Spring Pool. Said Hay Hollow-Bone Spring Pool was discovered by the Quanah Petroleum, Inc. Hay A Federal Well No. 1 located in Unit D of Section 13, Township 26 South, Range 27 East, NMPM. It was completed in the Bone Spring formation on March 20, 1982. The top of the perforations is at 6,871 feet.

(3) 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 Gatuna Canyon-Atoka Gas Pool. Said Gatuna Canyon-Atoka Gas Pool was discovered by the TXO Production Company Keohane

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Federal Com Well No. 1 located in Unit H of Section 33, Township 19 South, Range 31 East, NMPM. It was completed in the Atoka formation on May 5, 1982. The top of the perforations is at 11,310 feet.

(4) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of South Parkway-Strawn Pool. Said South Parkway-Strawn Pool was discovered by the Texas Oil and Gas Corporation Williamson Federal Well No. 4 located in Unit F of Section 15, Township 20 South, Range 29 East, NMPM. It was completed in the Strawn formation on April 15, 1975. The top of the perforations is at 10,476 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 Salt Draw-Morrow Gas Pool. Said Salt Draw-Morrow Gas Pool was discovered by the Amoco Production Company State MA Com Well No. 1 located in Unit H of Section 3, Township 25 South, Range 28 East, NMPM. It was completed in the Morrow formation on September 1, 1981. The top of the perforations is at 13,166 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 White City-Wolfcamp Gas Pool. Said White City-Wolfcamp Gas Pool was discovered by the Superior Oil Company Meador Federal Well No. 1 located in Unit B of Section 14, Township 25 South, Range 25 East, NMPM. It was completed in the Wolfcamp formation on October 28, 1979. The top of the perforations is at 9,390 feet.

(7) That there is need for the abolishment of the Townsend-Cisco Pool in Lea County, New Mexico, and the productive acreage is to be placed in the redesignated Townsend-Permo Upper Pennsylvanian Pool.

(8) That there is need for the abolishment of the Eidson-Pennsylvanian Pool in Lea County, New Mexico, and the productive acreage is to be placed in the redesignated Townsend-Permo Upper Pennsylvanian Pool.

(9) That there is need for the extension of the vertical limits of the Townsend-Wolfcamp Pool in Lea County, New Mexico, to include the Upper Pennsylvanian formation and the redesignation of said pool as the Townsend-Permo Upper Pennsylvanian

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Pool with vertical limits defined as from the top of the Wolfcamp formation at 9,572 feet to the base of the Canyon formation at 10,772 feet as found on type log Kimbark Oil and Gas Company New Mexico State 4 Well No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, NMPM, and also the extension of the horizontal limits of said pool to include the productive acreage from the abolished Townsend-Cisco and Eidson-Pennsylvanian Pools.

(10) That there is need for the extension of the vertical limits of the Turkey Track Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include the San Andres formation and the redesignation of said pool as the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool.

(11) That there is need for certain extensions to the West Atoka-Morrow Gas Pool, the Atoka Glorieta-Yeso Pool, the Black River-Morrow Gas Pool, the Boyd-Morrow Gas Pool, the South Carlsbad-Morrow Gas Pool, the Cedar Canyon-Morrow Gas Pool, the Chalk Bluff-Wolfcamp Pool, the Hoag Tank-Morrow Gas Pool, the North Loving-Morrow Gas Pool, and the Turkey Track-Morrow Gas Pool, all in Eddy County, New Mexico, and the East Custer-Devonian Gas Pool, the North Eidson-Morrow Gas Pool, the South Kemnitz Atoka-Morrow Gas Pool, the West Sawyer-San Andres Pool, and the Scharb-Wolfcamp Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) 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 Hay Hollow-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM
Section 13: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 33: E/2

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 15: NW/4

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(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 Salt Draw-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
Section 3: E/2

(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 White City-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 25 EAST, NMPM
Section 14: N/2

(f) That the Townsend-Cisco Pool in Lea County, New Mexico, consisting of the following described area:

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

is hereby abolished.

(g) That the Eidson-Pennsylvanian Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 12: S/2

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 7: NE/4 and S/2
Section 17: NW/4
Section 18: All

is hereby abolished.

(h) That the vertical limits of the Townsend-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, are hereby extended to include the Upper Pennsylvanian formation and said pool is redesignated as the Townsend-Permo Upper Pennsylvanian Pool with special vertical limits defined as being from the top of the Wolfcamp formation at 9,572 feet to the base of the Canyon formation at 10,772 feet, as found on type log Kimbark Oil and Gas Company New Mexico State 4 Well No. 1 located in Unit N of Section 4, Township 16 South, Range 35 East, NMPM, and

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further, that the horizontal limits of said pool are extended to include the following described area:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 12: S/2

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 7: NE/4 and S/2
Section 8: W/2 SW/4
Section 17: N/2 NW/4
Section 18: N/2 N/2

(i) That the vertical limits of the Turkey Track Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, are hereby extended to include the San Andres formation and the pool redesignated as the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool.

(j) That the West Atoka-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 15: N/2

(k) That the Atoka Glorieta-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 35: 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 12: N/2

(m) That the Boyd-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 14: S/2

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 3: S/2

Section 4: All

Section 5: E/2

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 4: S/2

Section 5: S/2

Section 6: All

(p) That the Chalk Bluff-Wolfcamp Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 3: NW/4

Section 4: N/2

(q) That the East Custer-Devonian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 7: NW/4 and S/2

(r) 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 2: Lots 1 through 8

(s) 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 7: All

Sections 17 and 18: All

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(t) 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 27: S/2
Section 28: S/2

(u) 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 14: W/2
Section 15: All

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

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
Section 5: W/2 SE/4
Section 8: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 4: NE/4

(x) 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 2: E/2

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

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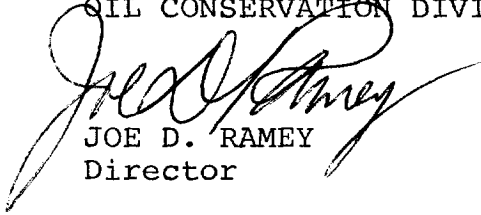
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which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending 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, and extensions of vertical and horizontal limits included herein shall be March 1, 1983.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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