

Entered June 14, 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. 7904
Order No. R-7307

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN ORDER
CREATING, ABOLISHING, AND EXTENDING CERTAIN
POOLS IN CHAVES, EDDY, AND LEA COUNTIES,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on June 8, 1983,
at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of June, 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
Chaves County, New Mexico, for the production of oil from the
Queen formation, said pool to bear the designation of Chisum-
Queen Pool. Said Chisum-Queen Pool was discovered by the Orla
Petco, Inc. Barnes State Well No. 1 located in Unit K of Section
34, Township 10 South, Range 27 East, NMPM. It was completed
in the Queen formation on February 22, 1981. The top of the
perforations is at 1,153 feet.

(3) 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 Dos
Ranchos-Montoya Gas Pool. Said Dos Ranchos-Montoya Gas Pool
was discovered by the Read & Stevens, Inc. North Haystack
Federal Well No. 1 located in Unit F of Section 26, Township

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5 South, Range 26 East, NMPM. It was completed in the Montoya formation on January 2, 1981. The top of the perforations is at 6,450 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 Strawn formation, said pool to bear the designation of Hagerman-Strawn Gas Pool. Said Hagerman-Strawn Gas Pool was discovered by the Clements Energy, Inc. NM 36 State Well No. 1 located in Unit F of Section 36, Township 13 South, Range 26 East, NMPM. It was completed in the Strawn formation on February 19, 1982. The top of the perforations is at 6,581 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 Atoka formation, said pool to bear the designation of Laguna Salado-Atoka Gas Pool. Said Laguna Salado-Atoka Gas Pool was discovered by the Amoco Production Company Teledyne 17 Well No. 1 located in Unit N of Section 17, Township 23 South, Range 29 East, NMPM. It was completed in the Atoka formation on March 20, 1979. The top of the perforations is at 12,028 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 Kemnitz-Strawn Pool. Said Kemnitz-Strawn Pool was discovered by the Tenneco Oil Company State LF 28 Well No. 1 located in Unit M of Section 28, Township 16 South, Range 34 East, NMPM. It was completed in the Strawn formation on February 14, 1983. The top of the perforations is at 12,334 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 Brushy Canyon formation, said pool to bear the designation of Lea-Brushy Canyon Pool. Said Lea-Brushy Canyon Pool was discovered by the Estoril Producing Company Union Federal Well No. 1 located in Unit J of Section 9, Township 20 South, Range 34 East, NMPM. It was completed in the Brushy Canyon formation on November 13, 1982. The top of the perforations is at 7,294 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 Pennsylvanian formation, said pool to bear the designation of Leslie Spring-Pennsylvanian Gas Pool. Said Leslie Spring-Pennsylvanian Gas Pool was discovered by the Sun Exploration and Production Company Chaves A Federal Well No. 3 located in

Unit D of Section 21, Township 7 South, Range 26 East, NMPM. It was completed in the Pennsylvanian formation on June 6, 1982. The top of the perforations is at 4,966 feet.

(9) That there is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Leslie Spring-Wolfcamp Gas Pool. Said Leslie Spring-Wolfcamp Gas Pool was discovered by the Sun Exploration and Production Company Chaves A Federal Well No. 1 located in Unit B of Section 21, Township 7 South, Range 26 East, NMPM. It was completed in the Wolfcamp formation on May 17, 1982. The top of the perforations is at 4,588 feet.

(10) That there is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Pennsylvanian formation, said pool to bear the designation of South Palma Mesa-Pennsylvanian Gas Pool. Said South Palma Mesa-Pennsylvanian Gas Pool was discovered by the Carl A. Schellinger Campbell Station Unit Well No. 1 located in Unit M of Section 34, Township 8 South, Range 27 East, NMPM. It was completed in the Pennsylvanian formation on August 25, 1981. The top of the perforations is at 6,373 feet.

(11) 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 South Pitchfork Ranch-Morrow Gas Pool. Said South Pitchfork Ranch-Morrow Gas Pool was discovered by the Stone Petroleum Corporation Javelina Basin Unit Well No. 1 located in Unit G of Section 17, Township 25 South, Range 34 East, NMPM. It was completed in the Morrow formation on February 24, 1983. The top of the perforations is at 15,154 feet.

(12) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of PJ-Delaware Pool. Said PJ-Delaware Pool was discovered by the Mesa Petroleum Company Moore Well No. 2 located in Unit E of Section 35, Township 24 South, Range 26 East, NMPM. It was completed in the Delaware formation on February 19, 1983. The top of the perforations is at 4,823 feet.

(13) 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 P.O.W.-Strawn Gas Pool. Said P.O.W.-Strawn Gas Pool was discovered by the Yates Petroleum Corporation Sharp QS Com Well No. 1

located in Unit P of Section 4, Township 17 South, Range 26 East, NMPM. It was completed in the Strawn formation on November 13, 1982. The top of the perforations is at 7,807 feet.

(14) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Teas-Wolfcamp Pool. Said Teas-Wolfcamp Pool was discovered by the Julian Ard South Teas Federal Well No. 1 located in Unit G of Section 23, Township 20 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on November 30, 1982. The top of the perforations is at 11,598 feet.

(15) That there is need for the abolishment of the Brushy Draw-Middle Bell Canyon Gas Pool in Eddy County, New Mexico. This acreage is already included in the Brushy Draw-Delaware Pool.

(16) That there is need for the abolishment of the Brushy Draw-Cherry Canyon Pool in Eddy County, New Mexico, and the productive acreage is to be placed in the Brushy Draw-Delaware Pool.

(17) That there is need for the abolishment of the Pecos-Delaware Pool in Eddy County, New Mexico, and the productive acreage is to be placed in the Brushy Draw-Delaware Pool.

(18) That there is need for certain extensions to the Bull's Eye-San Andres Pool, the Foor Ranch-Pre Permian Gas Pool, and the Lost Lake-Strawn Gas Pool, all in Chaves County, New Mexico, and the Brushy Draw-Delaware Pool, the West Atoka-Morrow Gas Pool, the East Burton Flat-Strawn Gas Pool, the Golden Lane-Morrow Gas Pool, and the West Indian Flats-Strawn Gas Pool, all in Eddy County, New Mexico, and the East Bootleg Ridge-Morrow Gas Pool, the Gem-Morrow Gas Pool, the West Nadine-Tubb Pool, the Pitchfork Ranch-Morrow Gas Pool, the Quail Ridge-Morrow Gas Pool, the Querecho Plains-Queen Associated Pool, the North San Simon-Yates Pool, the Saunders Permo-Upper Pennsylvanian Pool, the Scharb-Bone Spring Pool, the South Shoebar-Morrow Gas Pool, and the North Vacuum Atoka-Morrow Gas Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

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

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designated as the Chisum-Queen Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 34: SW/4

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

TOWNSHIP 5 SOUTH, RANGE 26 EAST, NMPM
Section 26: N/2

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

TOWNSHIP 13 SOUTH, RANGE 26 EAST, NMPM
Section 36: W/2

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

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 17: S/2
Section 18: S/2
Section 20: All
Section 29: All

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 28: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 9: SE/4

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

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
Section 21: N/2

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

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM
Section 21: N/2

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

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 34: S/2

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 17: N/2

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

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 35: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 4: S/2

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 23: NE/4

(n) That the Brushy Draw-Middle Bell Canyon Gas Pool in Eddy County, New Mexico, consisting of the following described area:

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

is hereby abolished.

(o) That the Brushy Draw-Cherry Canyon Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 25: SW/4
Section 26: SE/4
Section 35: All

is hereby abolished.

(p) That the Pecos-Delaware Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 27: SW/4 NE/4 and W/2 SE/4
Section 34: NE/4
Section 35: SW/4 NW/4

is hereby abolished.

(q) That the Brushy Draw-Delaware 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 25: SE/4, SW/4 and S/2 NW/4
Section 27: SW/4 NE/4 and W/2 SE/4
Section 34: NE/4
Section 35: All
Section 36: NW/4

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(r) 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: S/2

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

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 15: N/2

(t) 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 28 EAST, NMPM
Section 24: SE/4

(u) 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 5: All
Section 6: All
Section 8: N/2

(v) That the Foor Ranch-Pre Permian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 14: E/2

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 19: All

(w) 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 33 EAST, NMPM
Section 30: W/2

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

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM

Section 17: All

Section 20: All

(y) That the West Indian Flats-Strawn 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 4: E/2

Section 9: E/2

Section 10: W/2

(z) That the Lost Lake-Strawn Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM

Section 36: All

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM

Section 1: All

(aa) That the West Nadine-Tubb 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: S/2 and NE/4

(bb) 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 29: NE/4

(cc) That the Quail Ridge-Morrow Gas 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 31: E/2

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(dd) That the Querecho Plains-Queen Associated Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 22: SW/4

(ee) That the North San Simon-Yates Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 20: NW/4

(ff) 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 15 SOUTH, RANGE 33 EAST, NMPM
Section 14: NW/4
Section 15: N/2

(gg) That the Scharb-Bone Spring 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 9: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 2: E/2 and NW/4

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

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 1: E/2
Section 12: 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

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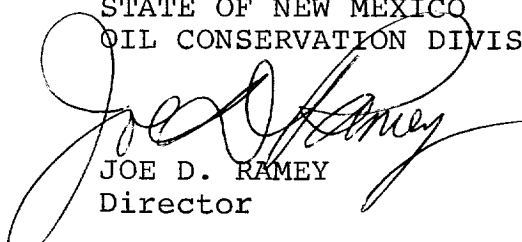
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the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating 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, abolishments, and extensions included herein shall be July 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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