

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. 7924
Order No. R-7322

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, 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 July 20, 1983,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of August, 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
Lea County, New Mexico, for the production of gas from the Strawn
formation, said pool to bear the designation of South Arenja
Rojo-Strawn Gas Pool. Said South Arenja Rojo-Strawn Gas Pool
was discovered by the Cliffs Drilling Company Starman Federal
Unit Well No. 1 located in Unit G of Section 28, Township 26
South, Range 35 East, NMPM. It was completed in the Strawn forma-
tion on March 28, 1983. The top of the perforations is at 14,092
feet.

(3) That there is need for the creation of a new pool in
Lea County, New Mexico, for the production of gas from the Wolf-
camp formation, said pool to bear the designation of Bilbrey-
Wolfcamp Gas Pool. Said Bilbrey-Wolfcamp Gas Pool was discovered
by the Getty Oil Company North Bilbrey 18 Federal Well No. 1
located in Unit G of Section 18, Township 21 South, Range 32 East,

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NMPM. It was completed in the Wolfcamp formation on May 11, 1982. The top of the perforations is at 12,100 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 Wolfcamp formation, said pool to bear the designation of Bradley-Wolfcamp Gas Pool. Said Bradley-Wolfcamp Gas Pool was discovered by the Pogo Producing Company Mosbacher 20 Well No. 1 located in Unit K of Section 20, Township 26 South, Range 34 East, NMPM. It was completed in the Wolfcamp formation on April 15, 1983. The top of the perforations is at 13,382 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 Bone Spring formation, said pool to bear the designation of South Carlsbad-Bone Spring Pool. Said South Carlsbad-Bone Spring Pool was discovered by the Phillips Petroleum Company Drag C Well No. 1 located in Unit K of Section 19, Township 23 South, Range 27 East, NMPM. It was completed in the Bone Spring formation on April 10, 1983. The top of the perforations is at 5,334 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 Strawn formation, said pool to bear the designation of Northeast Happy Valley-Strawn Gas Pool. Said Northeast Happy Valley-Strawn Gas Pool was discovered by the Yates Petroleum Corporation North Carlsbad OK Com Well No. 1 located in Unit B of Section 26, Township 21 South, Range 26 East, NMPM. It was completed in the Strawn formation on October 13, 1981. The top of the perforations is at 10,117 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 Devonian formation, said pool to bear the designation of South King-Devonian Pool. Said South King-Devonian Pool was discovered by the Union Texas Petroleum Corporation Post Well No. 1 located in Unit N of Section 1, Township 14 South, Range 37 East, NMPM. It was completed in the Devonian formation on January 13, 1983. The top of the perforations is at 12,729 feet.

(8) 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 Los Medanos-Bone Spring Pool. Said Los Medanos-Bone Spring Pool was discovered by the Conoco Inc. James Ranch Unit Well No. 7 located in Unit G of Section 6, Township 23 South, Range 31 East, NMPM. It was completed in the Bone Spring formation on August 1, 1982.

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The top of the perforations is at 11,017 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 Upper Pennsylvanian formation, said pool to bear the designation of Palmillo-Upper Pennsylvanian Pool. Said Palmillo-Upper Pennsylvanian Pool was discovered by the Exxon Corporation New Mexico DC State Well No. 1 located in Unit H of Section 18, Township 19 South, Range 29 East, NMPM. It was completed in the Cisco and Canyon formations on May 4, 1982. The top of the perforations is at 9,558 feet.

(10) 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 South Poker Lake-Morrow Gas Pool. Said South Poker Lake-Morrow Gas Pool was discovered by the Perry R. Bass Poker Lake Unit Well No. 53 located in Unit B of Section 9, Township 25 South, Range 31 East, NMPM. It was completed in the Morrow formation on June 7, 1982. The top of the perforations is at 15,440 feet.

(11) 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 Red Tank-Atoka Gas Pool. Said Red Tank-Atoka Gas Pool was discovered by the Pogo Producing Company SCL Federal Well No. 2 located in Unit G of Section 12, Township 22 South, Range 31 East, NMPM. It was completed in the Atoka formation on December 10, 1982. The top of the perforations is at 13,646 feet.

(12) 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 Rock Spur-Morrow Gas Pool. Said Rock Spur-Morrow Gas Pool was discovered by the Pogo Producing Company Sam Federal Well No. 2 located in Unit G of Section 26, Township 25 South, Range 28 East, NMPM. It was completed in the Morrow formation on March 9, 1983. The top of the perforations is at 13,190 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 Atoka formation, said pool to bear the designation of Salt Draw-Atoka Gas Pool. Said Salt Draw-Atoka Gas Pool was discovered by the Amoco Production Company Federal AI Com Well No. 1 located in Unit J of Section 34, Township 24 South, Range 28 East, NMPM. It was completed in the Atoka formation on March 15, 1982. The top of the perforations is at 12,044 feet.

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(14) 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 Sigrest Draw-Wolfcamp Gas Pool. Said Sigrest Draw-Wolfcamp Gas Pool was discovered by the Mesa Petroleum Company Sigrest State Well No. 1 located in Unit H of Section 25, Township 19 South, Range 23 East, NMPM. It was completed in the Wolfcamp formation on April 20, 1981. The top of the perforations is at 6,218 feet.

(15) That there is need for the contraction of the horizontal limits of the King-Devonian Pool in Lea County by the deletion of an area to be extended for the Union Texas Petroleum Corporation Post Well No. 1 located in Unit N of Section 1, Township 14 South, Range 37 East, NMPM.

(16) That there is need for the contraction of the horizontal limits of the Saunders-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, to correct an error.

(17) That there is need for certain extensions to the Pecos Slope-Abo Gas Pool, the South Pecos Slope-Abo Gas Pool, and the West Pecos Slope-Abo Gas Pool, all in Chaves County, New Mexico, and the Antelope Sink-Upper Pennsylvanian Gas Pool, the Avalon-Delaware Pool, the Brushy Draw-Delaware Pool, the Burton Flat-Atoka Gas Pool, the Burton Flat-Morrow Gas Pool, the East Eagle Creek Atoka-Morrow Gas Pool, the Sulphate Draw-Delaware Pool, and the Willow Lake-Bone Spring Pool, all in Eddy County, New Mexico, and the Baum-Upper Pennsylvanian Pool, the Gem-Morrow Gas Pool, the Lazy J-Pennsylvanian Pool, the Northeast Lovington-Pennsylvanian Pool, the Maljamar Grayburg-San Andres Pool, and the Scharb-Bone Spring Pool, all in Lea County, New Mexico, and the Chaveroo-San Andres Pool in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM
Section 28: E/2

(b) That a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production is hereby created and designated as the Bilbrey-Wolfcamp Gas Pool, consisting of the

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following described area:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 18: N/2

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

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM
Section 20: S/2

(d) 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 South Carlsbad-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 19: SW/4

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

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

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

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM
Section 1: SW/4

(g) 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 Los Medanos-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 6: NE/4

(h) That a new pool in Eddy County, New Mexico, classified as an oil pool for Upper Pennsylvanian production is hereby

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created and designated as the Palmillo-Upper Pennsylvanian Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 18: E/2

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

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM
Section 9: N/2

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

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 12: N/2

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

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
Section 26: N/2

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 34: S/2

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

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM
Section 25: E/2

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

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM
Section 1: SW/4

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

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 17: SE/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 24 EAST, NMPM
Section 18: S/2
Section 19: N/2

(q) That the Avalon-Delaware 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 32: SW/4

(r) That the Baum-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 17: E/2

(s) 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 23: E/2

(t) That the Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 25: All
Section 26: S/2
Section 34: S/2
Section 35: All

(u) That the Burton Flat-Morrow 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
Sections 24 through 26: All

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

TOWNSHIP 7 SOUTH, RANGE 34 EAST, NMPM
Section 17: SE/4

(w) That the East Eagle Creek Atoka-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 21: E/2

(x) 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 19: S/2

(y) That the Lazy J-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 3: NW/4 and W/2 NE/4

(z) 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 8: SE/4
Section 17: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 21: SE/4
Section 22: SW/4

(bb) That the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM
Section 3: W/2

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM
Sections 1 through 3: All
Sections 11 through 16: All
Sections 21 through 28: All
Sections 33 through 36: All

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM
Sections 10 through 15: All
Sections 21 through 27: All
Section 28: E/2
Sections 33 through 36: All

(cc) That the South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 25 EAST, NMPM
Section 5: W/2
Sections 6 and 7: All
Section 8: W/2
Sections 16 through 22: All
Section 29: W/2
Sections 30 through 34: All
Section 35: W/2

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 15: All

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Sections 18 and 19: All

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TOWNSHIP 10 SOUTH, RANGE 25 EAST, NMPM

Section 1: SW/4

Section 2: S/2

Sections 3 through 16: All

(dd) That the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 23 EAST, NMPM

Section 6: All

Section 28: All

(ee) 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 4: NE/4

Section 16: NW/4

(ff) That the Sulphate Draw-Delaware 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 26: S/2

Section 27: S/2

Section 28: S/2

(gg) That the Willow Lake-Bone Spring 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 34: N/2

Section 35: W/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 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,

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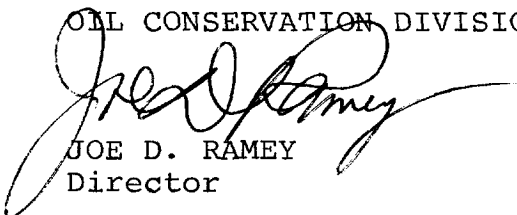
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or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit 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, and extensions included therein shall be August 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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