

Entered December 8, 1983
JLR

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. 8017
Order No. R-7396

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 22, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 8th day of December, 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 oil from the Wolfcamp formation, said pool to bear the designation of Northeast Caudill-Wolfcamp Pool. Said Northeast Caudill-Wolfcamp Pool was discovered by the Enstar Petroleum Inc. Scott Well No. 1 located in Unit L of Section 1, Township 15 South, Range 36 East, NMPM. It was completed in the Wolfcamp formation on July 26, 1983. The top of the perforations is at 10,821 feet.

(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 South Lea-San Andres Pool. Said South Lea-San Andres Pool was discovered by the Marathon Oil Company Lea Unit Well No. 7 located in Unit N of Section 12, Township 20 South, Range 34 East, NMPM.

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It was completed in the San Andres formation on November 11, 1982. The top of the perforations is at 6,196 feet.

(4) That there is need for the creation of a new pool in Chaves County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Many Gates-Wolfcamp Pool. Said Many Gates-Wolfcamp Pool was discovered by the Amoco Production Company State DQ Well No. 1 located in Unit C of Section 32, Township 9 South, Range 30 East, NMPM. It was completed in the Wolfcamp formation on July 15, 1983. The top of the perforations is at 7,292 feet.

(5) That there is need for the contraction of the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, and the concomitant extension of the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool due to the conversion to injection of the Anadarko Production Company Taylor Well No. 2 in Unit M of Section 30, Township 16 South, Range 32 East, which is a part of the Boyd Robinson Waterflood Project in the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool.

(6) That there is need for the extension of the vertical limits of the Oil Center-Blinebry Pool in Lea County, New Mexico, to include 120 feet above the Blinebry marker due to the fact that several wells in this pool are producing from the 120 foot interval above the Blinebry marker.

(7) That there is need for certain extensions to the Baum-Upper Pennsylvanian Pool, the Blinebry Oil and Gas Pool, the Hobbs Grayburg-San Andres Pool, the Justis Tubb-Drinkard Pool, the West Nadine-Blinebry Pool, the Penrose Skelly-Grayburg Pool, the Pitchfork Ranch-Morrow Gas Pool, the Querecho Plains-Upper Bone Spring Pool, the Red Hills-Devonian Gas Pool, the Saunders Permo-Upper Pennsylvanian Pool, the Scharb-Bone Spring Pool, and the Southeast Scharb-Wolfcamp Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM
Section 1: SW/4

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(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 South Lea-San Andres Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 12: SW/4

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

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 32: NW/4

(d) That the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 30: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 30: SW/4

(f) That the vertical limits of the Oil Center-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined, and described, are hereby extended to include 120 feet above the Blinebry marker.

(g) 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 32 EAST, NMPM
Section 12: SE/4

(h) That the Blinebry Oil and Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 38 EAST, NMPM
Section 7: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 22: E/2

(j) That the Justis Tubb-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 1: S/2
Section 12: W/2

(k) That the West Nadine-Blinebry 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 6: SE/4
Section 17: NE/4

(l) That the Penrose Skelly-Grayburg Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 22: SW/4

(m) 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 25 SOUTH, RANGE 34 EAST, NMPM
Section 5: S/2

(n) That the Querecho Plains-Upper Bone Spring 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 34: NE/4
Section 35: N/2

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

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM
Section 5: All

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(p) 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 16: NW/4

Section 20: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 33: SE/4

Section 34: SW/4

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 10: S/2

Section 17: SW/4

Section 18: E/2

(r) That the Southeast 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 14: N/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 proation 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.

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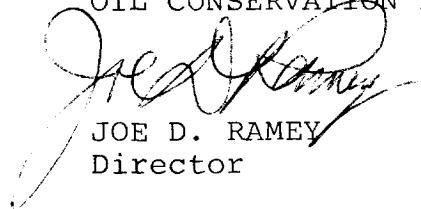
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(2) That the effective date of this order and all creations, contractions, and extensions of vertical and horizontal limits included herein shall be December 1, 1983.

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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