

Entered April 20, 1984
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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. 8154
Order No. R-7502

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING VERTICAL
AND HORIZONTAL LIMITS OF 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 8 a.m. on April 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of April, 1984, 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 gas from the Bone Spring formation, said pool to bear the designation of East Avalon-Bone Spring Gas Pool. Said East Avalon-Bone Spring Gas Pool was discovered by the Yates Petroleum Corporation Stonewall EP State Well No. 7 located in Unit D of Section 30, Township 20 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on January 19, 1984. The top of the perforations is at 4,979 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 Bone Spring formation, said pool to bear the designation of

East Featherstone-Bone Spring Pool. Said East Featherstone-Bone Spring Pool was discovered by the Amoco Production Company Best Gas Com Well No. 2 located in Unit P of Section 23, Township 20 South, Range 35 East, NMPM. It was completed in the Bone Spring formation on November 15, 1983. The top of the perforations is at 9,744 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 Wolfcamp formation, said pool to bear the designation of Foor Ranch-Wolfcamp Gas Pool. Said Foor Ranch-Wolfcamp Gas Pool was discovered by the Elk Oil Company Runyan State Well No. 2 located in Unit C of Section 24, Township 9 South, Range 26 East, NMPM. It was completed in the Wolfcamp formation on January 22, 1983. The top of the perforations is at 5,142 feet.

(5) 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 Hardin Tank-Strawn Gas Pool. Said Hardin Tank-Strawn Gas Pool was discovered by The Superior Oil Company Olson Federal Well No. 1 located in Unit J of Section 35, Township 25 South, Range 34 East, NMPM. It was completed in the Strawn formation on February 14, 1983. The top of the perforations is at 14,445 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 Blinebry formation, said pool to bear the designation of Nadine-Blinebry Pool. Said Nadine-Blinebry Pool was discovered by the Morris R. Antweil C. P. Bordages Well No. 1 located in Unit O of Section 28, Township 19 South, Range 38 East, NMPM. It was completed in the Blinebry formation on February 3, 1984. The top of the perforations is at 6,103 feet.

(7) 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 Red Bluff-Bone Spring Pool. Said South Red Bluff-Bone Spring Pool was discovered by the Maddox Energy Corporation Flower Draw 2 State Well No. 1 located in Unit G of Section 2, Township 26 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on August 16, 1981. The top of the perforations is at 6,333 feet.

(8) That there is need for the extension of the vertical limits of the East Atoka-Morrow Gas Pool in Eddy County, New

Mexico, to include the Atoka formation, and for the redesignation of said pool as the East Atoka Atoka-Morrow Gas Pool.

(9) That there is need for the extension of the vertical limits of the Springer Basin-Morrow Gas Pool in Chaves County, New Mexico, to include the Atoka formation, and for the redesignation of said pool as the Springer Basin Atoka-Morrow Gas Pool.

(10) That there is need for certain extensions to the Bull's Eye-San Andres Pool, the Chaveroo-San Andres Pool, and the Diamond Mound Atoka-Morrow Gas Pool, all in Chaves County, New Mexico, and the Boyd-Morrow Gas Pool, the Byrnes Tank-Delaware Pool, the Dagger Draw-Strawn Gas Pool, the West Dark Canyon-Delaware Pool, the Eagle Creek-San Andres Pool, the South Empire-Morrow Gas Pool, the South Empire-Wolfcamp Pool, and the North Loving-Atoka Gas Pool, all in Eddy County, New Mexico, and the Airstrip-Upper Bone Spring Pool, the Antelope Ridge-Atoka Gas Pool, the Bell Lake-Atoka Gas Pool, the Double X-Delaware Pool, the South Kemnitz Atoka-Morrow Gas Pool, the Pearl-Queen Pool, the Pitchfork Ranch-Morrow Gas Pool, and the Scharb-Bone Spring Pool, all in Lea County, New Mexico, and the Chaveroo-San Andres Pool and the Tomahawk-San Andres Pool, both in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED:

(a) 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 East Avalon-Bone Spring Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 30: NW/4

(b) 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 Featherstone-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 23: SE/4

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

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 24: N/2

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 35: S/2

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 28: SE/4

(f) 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 Red Bluff-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM
Section 2: NE/4

(g) That the vertical limits of the East Atoka-Morrow Gas Pool in Eddy County, New Mexico, are hereby extended to include the Atoka formation and said pool is redesignated as the East Atoka Atoka-Morrow Gas Pool.

(h) That the vertical limits of the Springer Basin-Morrow Gas Pool in Eddy County, New Mexico, are hereby extended to include the Atoka formation and said pool is redesignated as the Springer Basin Atoka-Morrow Gas Pool.

(i) That the Airstrip-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 34 EAST, NMPM
Section 36: NW/4

(j) 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 23 SOUTH, RANGE 34 EAST, NMPM
Section 2: SE/4

(k) That the Bell Lake-Atoka Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 25: SE/4

(l) 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 25 EAST, NMPM
Section 15: W/2
Section 22: N/2

(m) That the Byrnes Tank-Delaware 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 5: S/2
Section 8: W/2

(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 28 EAST, NMPM
Section 25: All

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2 S/2

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

TOWNSHIP 7 SOUTH, RANGE 34 EAST, NMPM
Section 8: SE/4

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM
Section 10: SW/4

(p) That the Dagger Draw-Strawn Gas 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 32: S/2

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 5: W/2

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(q) That the West Dark Canyon-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 13: E/2
Section 24: NE/4

(r) That the Diamond Mound Atoka-Morrow Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 33: All

(s) That the Double X-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 22: SW/4

(t) That the Eagle Creek-San Andres 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 31: NE/4
Section 32: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 2: N/2

(v) That the South Empire-Wolfcamp 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 36: E/2 SE/4

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 1: NE/4

(w) 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: N/2

(x) That the North Loving-Atoka 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 21: All

(y) That the Pearl-Queen 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: SE/4

(z) 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 4: N/2

(aa) 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 3: SW/4
Section 5: NE/4

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

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 18: 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 of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger

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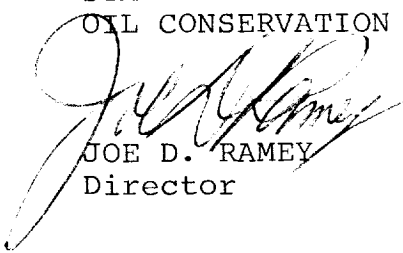
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than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. 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 of vertical and horizontal limits included herein shall be May 1, 1984.

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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