

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. 8385
Order No. R-7708

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 AND EDDY COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on October 17, 1984, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 25th day of October, 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 oil from the Lower Bone Spring formation, said pool to bear the designation of Avalon-Lower Bone Spring Pool. Said Avalon-Lower Bone Spring Pool was discovered by the Exxon Corporation Yates C Federal Well No. 22 located in Unit E of Section 4, Township 21 South, Range 27 East, NMPM. It was completed in the lower Bone Spring formation on October 18, 1983. The top of the perforations is at 7,365 feet.

(3) 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 Forty Niner Ridge-Delaware Pool. Said Forty Niner Ridge-Delaware Pool was discovered by the Getty Oil Company Forty Niner Ridge Unit Well No. 1 located in Unit J of Section 16, Township 23 South, Range 30 East, NMPM. It was completed in the Delaware

-2-

Case No. 8385

Order No. R-7708

formation on August 6, 1984. The top of the perforations is at 5,422 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 Bone Spring formation, said pool to bear the designation of Malaga-Bone Spring Pool. Said Malaga-Bone Spring Pool was discovered by the HCW Exploration, Inc. Ann Com Well No. 1 located in Unit G of Section 15, Township 24 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on August 15, 1983. The top of the perforations is at 6,284 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 Sand Tank-Morrow Gas Pool. Said Sand Tank-Morrow Gas Pool was discovered by the Southland Royalty Company Holly 8 Federal Com Well No. 1 located in Unit G of Section 8, Township 18 South, Range 30 East, NMPM. It was completed in the Morrow formation on May 18, 1984. The top of the perforations is at 11,320 feet.

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

(7) That there is need for certain extensions to the East Avalon-Bone Spring Pool, the Fenton-Delaware Pool, the Northwest Fenton-Delaware Pool, the Henshaw-Wolfcamp Pool, the South Millman-Morrow Gas Pool, the West Palmillo-Wolfcamp Pool, the North Square Lake Grayburg-San Andres Pool, and the Travis-Upper Pennsylvanian Pool, all in Eddy County, New Mexico, and the Foor Ranch-Pre Permian Gas Pool, the Leslie Spring-Wolfcamp Gas Pool, 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.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 4: Lots 3, 4, 5, 6, 11, and
12

-3-

Case No. 8385
Order No. R-7708

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

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 16: SE/4

(c) 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 Malaga-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 15: NE/4

(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 Sand Tank-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 8: E/2

(e) That the vertical limits of the South Leo Queen-Grayburg Pool in Eddy County, New Mexico, are hereby extended to include the Seven Rivers and San Andres formations and said pool is redesignated as the South Leo Seven Rivers-Queen-Grayburg-San Andres Pool.

(f) That the East Avalon-Bone Spring 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 35: S/2

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 16: S/2
Section 21: All
Section 22: N/2

(h) That the Northwest Fenton-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2
Section 8: SW/4

-4-

Case No. 8385

Order No. R-7708

(i) 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: W/2

Section 15: All

Section 16: E/2

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

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM

Section 14: SE/4

(k) That the Leslie Spring-Wolfcamp Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM

Section 16: S/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 6: S/2

Section 7: N/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 1: S/2 SE/4

Section 12: NE/4

(n) 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 4 SOUTH, RANGE 24 EAST, NMPM

Section 33: All

Section 34: S/2

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM

Section 31: E/2

-5-

Case No. 8385

Order No. R-7708

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 17: NW/4

Section 18: All

Sections 31 through 34: All

(o) 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 24 EAST, NMPM

Sections 13 and 14: All

Sections 24 and 25: All

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Sections 1 and 2: All

Section 3: E/2

Section 10: E/2

Sections 11 through 14: All

TOWNSHIP 10 SOUTH, RANGE 25 EAST, NMPM

Section 23: NE/4

(p) 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 5 SOUTH, RANGE 21 EAST, NMPM

Sections 30 through 34: All

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM

Section 28: W/2

Section 29: All

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM

Section 9: S/2

(q) That the North Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 4: N/2 SE/4 and SW/4 SE/4

(r) That the Travis-Upper Pennsylvanian 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 23: N/2

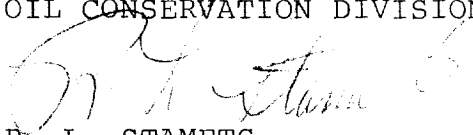
IT IS FURTHER ORDERED:

(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 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 and extensions of vertical and horizontal limits included herein shall be November 1, 1984.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Acting Director

S E A L

fd/