

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. 8598
Order No. R-7917

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 8, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 13th day of May, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Permo Pennsylvanian formation, said pool to bear the designation of Northwest Austin-Permo Pennsylvanian Pool. Said Northwest Austin-Permo Pennsylvanian Pool was discovered by the Harvey E. Yates Company Duncan Unit Well No. 2 located in Unit F of Section 26, Township 13 South, Range 35 East, NMPM. It was completed in the Permo Pennsylvanian formation on March 31, 1985. The top of the perforations is at 10,240 feet.

(3) 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 Corbin-Bone Spring Pool. Said Corbin-Bone Spring Pool was discovered by the Harvey E. Yates Company Santa Fe Exploration

-2-

Case No. 8598

Order No. R-7917

Well No. 1 located in Unit O of Section 6, Township 18 South, Range 33 East, NMPM. It was completed in the Bone Spring formation on March 14, 1985. The top of the perforations is at 8,520 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Drinkard formation, said pool to bear the designation of East Garrett-Drinkard Pool. Said East Garrett-Drinkard Pool was discovered by the Marathon Oil Company Aetna Eaves Well No. 2 located in Unit A of Section 26, Township 16 South, Range 38 East, NMPM. It was completed in the Drinkard formation on October 7, 1982. The top of the perforations is at 8,119 feet.

(5) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Little Lucky Lake-Morrow Gas Pool. Said Little Lucky Lake-Morrow Gas Pool was discovered by the Texaco Inc. Peery Federal Well No. 2 located in Unit O of Section 29, Township 15 South, Range 30 East, NMPM. It was completed in the Morrow formation on October 10, 1984. The top of the perforations is at 9,932 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of South Skaggs-Abo Pool. Said South Skaggs-Abo Pool was discovered by the Conoco Inc. State 35 Well No. 1 located in Unit P of Section 35, Township 20 South, Range 37 East, NMPM. It was completed in the Abo formation on January 8, 1985. The top of the perforations is at 6,959 feet.

(7) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of Tobac-Abo Pool. Said Tobac-Abo Pool was discovered by the Exxon Corporation New Mexico BW State Well No. 2 located in Unit F of Section 20, Township 8 South, Range 33 East, NMPM. It was completed in the Abo formation on December 13, 1984. The top of the perforations is at 8,162 feet.

(8) The proposed extension to the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, should be dismissed due to an error in the advertisement.

(9) There is need for extensions to the West Anderson Ranch-Pennsylvanian Gas Pool and the Chaveroo-San Andres Pool

-3-

Case No. 8598

Order No. R-7917

in Chaves County, New Mexico, and the West Anderson Ranch-Pennsylvanian Gas Pool, the Baum-Upper Pennsylvanian Pool, the Cline Drinkard-Abo Pool, the Cuerno Largo-Pennsylvanian Pool, the Drinkard Pool, the Eumont Yates-Seven Rivers-Queen Gas Pool, the East Grama Ridge-Morrow Gas Pool, the Hardy-Drinkard Pool, the South Knowles-Devonian Pool, the Maljamar Grayburg-San Andres Pool, the West Pitchfork Ranch-Atoka Gas Pool, the Pitchfork Ranch-Morrow Gas Pool, the Saunders Permo-Upper Pennsylvanian Pool, the Skaggs-Abo Gas Pool, the Tatum-Wolfcamp Pool, the Townsend-Permo Upper Pennsylvanian Pool, and the Tubb Oil and Gas Pool, all in Lea County, New Mexico, and the West Tucker Ranch-Canyon Pool in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico, classified as an oil pool for Permo Pennsylvanian production is hereby created and designated as the Northwest Austin-Permo Pennsylvanian Pool, consisting of the following described area:

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM
Section 26: NW/4

(b) A new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the Corbin-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 6: SE/4

(c) A new pool in Lea County, New Mexico, classified as an oil pool for Drinkard production is hereby created and designated as the East Garrett-Drinkard Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 26: NE/4

(d) A new pool in Chaves County, New Mexico, classified as a gas pool for Morrow production is hereby created and designated as the Little Lucky Lake-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 29: S/2

-4-

Case No. 8598
Order No. R-7917

(e) A new pool in Lea County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the South Skaggs-Abo Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 35: SE/4

(f) A new pool in Chaves County, New Mexico, classified as an oil pool for Abo production is hereby created and designated as the Tobac-Abo Pool, consisting of the following described area:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 20: NW/4

(g) The West Anderson Ranch-Pennsylvanian Gas Pool in Chaves and Lea Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 31 EAST, NMPM
Section 33: SE/4
Section 34: SW/4

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 6: Lots 1, 2, 3, 4, 5, 6,
7, and 8

(h) 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 8: SE/4

(i) The Chaveroo-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 22: NW/4

(j) The Cline Drinkard-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 12: NW/4

(k) The Cuerno Largo-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 36: NW/4

(l) The Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 12: NE/4

(m) The Eumont Yates-Seven Rivers-Queen Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 13: E/2
Section 24: NE/4

(n) The East Grama 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 34 EAST, NMPM
Section 10: E/2

(o) The proposed extension to the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, is hereby dismissed.

(p) The Hardy-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 2: SW/4

(q) The South Knowles-Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 38 EAST, NMPM
Section 24: SW/4

(r) The Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined,

-6-

Case No. 8598
Order No. R-7917

and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 2: NW/4

(s) The West Pitchfork Ranch-Atoka Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 24: E/2
Section 25: NE/4

(t) 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 33 EAST, NMPM
Section 36: E/2

(u) 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 13: SW/4

(v) The Skaggs-Abo Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 12: S/2 SE/4

(w) The Tatum-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 36 EAST, NMPM
Section 32: SW/4

(x) The Townsend-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 5: Lots 5, 6, 11, 12, 13,
and 14

-7-

Case No. 8598
Order No. R-7917

(y) The Tubb 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 37 EAST, NMPM
Section 13: SW/4

(z) The West Tucker Ranch-Canyon Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM
Section 8: NE/4

IT IS FURTHER ORDERED THAT:

(1) 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) The effective date of this order and all creations and extensions included herein shall be June 1, 1985.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



R. L. STAMETS
Director

S E A L
fd/