

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. 8740  
Order No. R-8065

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER CREATING AND EXTENDING 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 23, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 31st day of October, 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 Eddy County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of North Hay Hollow-Bone Spring Pool. Said North Hay Hollow-Bone Spring Pool was discovered by the Woods & Locker Inc. Amoco Federal Well No. 1, located in Unit A of Section 26, Township 25 South, Range 27 East, NMPM. It was completed in the Bone Spring formation on July 21, 1982. The top of the perforations is at 5,877 feet.

(3) 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 Hay Hollow-Morrow Gas Pool. Said Hay Hollow-Morrow Gas Pool was discovered by the H.N.G. Oil Company Hay Hollow 25 State Well No. 1 located

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in Unit G of Section 25, Township 25 South, Range 27 East, NMPM. It was completed in the Morrow formation on July 11, 1985. The top of the perforations is at 12,237 feet.

(4) 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 East Hess-Morrow Gas Pool. Said East Hess-Morrow Gas Pool was discovered by the Cities Service Company Federal AC Well No. 1 located in Unit K of Section 35, Township 23 South, Range 23 East, NMPM. It was completed in the Morrow formation on August 19, 1985. The top of the perforations is at 10,202 feet.

(5) 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 North Malaga-Bone Spring Pool. Said North Malaga-Bone Spring Pool was discovered by the Maddox Energy Corporation Malaga Well No. 1 located in Unit G of Section 3, Township 24 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on August 24, 1985. The top of the perforations is at 6,304 feet.

(6) 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 Outpost-Delaware Pool. Said Outpost-Delaware Pool was discovered by the Sure Energy Connie C State Well No. 1 located in Unit G of Section 25, Township 19 South, Range 28 East, NMPM. It was completed in the Delaware formation on August 24, 1985. The top of the perforations is at 3,336 feet.

(7) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Pennsylvanian formation, said pool to bear the designation of Race Track-Pennsylvanian Gas Pool. Said Race Track-Pennsylvanian Gas Pool was discovered by the Tenneco Oil Company Plains SL 19 Well No. 1 located in Unit B of Section 19, Township 10 South, Range 28 East, NMPM. It was completed in the Pennsylvanian formation on July 3, 1985. The top of the perforations is at 6,598 feet.

(8) 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 San Lorenzo-Bone Spring Pool. Said San Lorenzo-Bone Spring Pool was discovered by the MYCO Industries Inc. State 15 Well No. 1 located in Unit L of Section 15, Township 25 South, Range

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28 East, NMPM. It was completed in the Bone Spring formation on July 27, 1985. The top of the perforations is at 6,361 feet.

(9) 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 Sheep Draw-Strawn Gas Pool. Said Northeast Sheep Draw-Strawn Gas Pool was discovered by the Exxon Corporation Happy Valley Federal Well No. 1 located in Unit G of Section 28, Township 22 South, Range 26 East, NMPM. It was completed in the Strawn formation on July 13, 1985. The top of the perforations is at 10,294 feet.

(10) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Turkey Track-Wolfcamp Pool. Said Turkey Track-Wolfcamp Pool was discovered by the Tenneco Oil Company State HL 2 Well No. 1-Y located in Unit F of Section 2, Township 19 South, Range 29 East, NMPM. It was completed in the Wolfcamp formation on July 30, 1985. The top of the perforations is at 9,074 feet.

(11) There is need for certain extensions to the Brown Queen-Grayburg Pool, the Diamond Mound Atoka-Morrow Gas Pool, the Red Lake Ridge-San Andres Pool, and the Round Tank-San Andres Pool, all in Chaves County, New Mexico, and the Aid-Morrow Gas Pool, the Atoka Glorieta-Yeso Pool, the Brushy Draw-Delaware Pool, the East Brushy Draw-Delaware Pool, the East Burton Flat-Morrow Gas Pool, the Cass Draw-Wolfcamp Gas Pool, the Cedar Lake-Morrow Gas Pool, the South Empire-Morrow Gas Pool, the Grayburg-Upper Pennsylvanian Pool, the North Hackberry Yates-Seven Rivers Pool, the High Lonesome-Queen Pool, the McMillan-Upper Pennsylvanian Gas Pool, the Red Bluff-Delaware Gas Pool, the Richard Knob Atoka-Morrow Gas Pool, the Salt Draw-Atoka Gas Pool, the Sand Dunes-Cherry Canyon Pool, the Turkey Track-Morrow Gas Pool, and the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 25 SOUTH, RANGE 27 EAST, NMPM  
Section 26: NE/4

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

TOWNSHIP 25 SOUTH, RANGE 27 EAST, NMPM  
Section 25: N/2

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

TOWNSHIP 23 SOUTH, RANGE 23 EAST, NMPM  
Section 35: W/2

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 3: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 25: NE/4

(f) A new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production is hereby created and designated as the Race Track-Pennsylvanian Gas Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM  
Section 19: E/2

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

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM  
Section 15: SW/4

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM  
Section 28: N/2

(i) A new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the Turkey Track-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 2: NW/4

(j) The Aid-Morrow Gas 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 13: W/2

(k) The Atoka Glorieta-Yeso Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 23: N/2 SE/4 and NE/4

(l) The Brown Queen-Grayburg Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM  
Section 27: E/2

(m) 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 15: W/2  
Section 22: W/2

(n) The East 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 30 EAST, NMPM  
Section 8: SE/4

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(o) The East 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 29 EAST, NMPM  
Section 10: S/2

(p) The Cass Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 34: W/2

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM  
Section 3: All

(q) The Cedar Lake-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
Section 2: All

(r) 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 28 EAST, NMPM  
Section 31: W/2

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 17: S/2  
Section 20: W/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 16: W/2

(t) The Grayburg-Upper Pennsylvanian Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 27: E/2  
Section 34: E/2  
Section 35: NW/4

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(u) The North Hackberry Yates-Seven Rivers Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 21: SE/4

(v) The High Lonesome-Queen Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM  
Section 19: SE/4, SW/4 NE/4, and  
N/2 NE/4

(w) The McMillan-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 27 EAST, NMPM  
Section 7: S/2

(x) The Red Bluff-Delaware Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM  
Section 11: N/2

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

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM  
Section 16: S/2  
Section 21: N/2

(z) The Richard Knob 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 33: E/2

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

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM  
Section 23: N/2  
Section 24: NW/4

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(bb) The Salt Draw-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM

Section 2: W/2

Section 3: E/2

(cc) The Sand Dunes-Cherry Canyon Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 21 EAST, NMPM

Section 24: W/2

Section 25: W/2

(dd) The Turkey Track-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 12: All

(ee) The Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 35: N/2

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.



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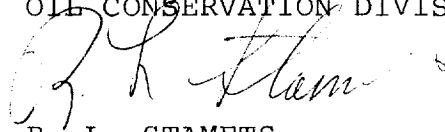
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(2) The effective date of this order and all creations and extensions included herein shall be November 1, 1985.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "R. L. Stamets", is written over the typed name and title.

R. L. STAMETS  
Director

S E A L

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