

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. 9004
Order No. R-8317

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN
POOLS IN EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 8, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of October, 1986, 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 San Andres formation, said pool to bear the designation of Espuela-San Andres Pool. Said Espuela-San Andres Pool was discovered by the RPM Energy, Inc. State Well No. 1 located in Unit I of Section 16, Township 16 South, Range 26 East, NMPM. It was completed in the San Andres formation on December 11, 1980. The top of the perforations is at 1,201 feet.

(3) 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 East Palmillo-Bone Spring Pool. Said East Palmillo-Bone Spring Pool was discovered by the Moroilco, Inc. Hamon State Well No. 1 located in Unit L of Section 5, Township 19 South, Range 29 East, NMPM. It was completed in the Bone Spring

formation on June 11, 1986. The top of the perforations is at 7,676 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Rustler Bluff-Atoka Gas Pool. Said Rustler Bluff-Atoka Gas Pool was discovered by the HNG Oil Company Gulf Federal Well No. 1 located in Unit H of Section 5, Township 25 South, Range 29 East, NMPM. It was completed in the Atoka formation on May 19, 1986. The top of the perforations is at 12,420 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of North Turkey Track-Strawn Pool. Said North Turkey Track-Strawn Pool was discovered by the Hondo Drilling Company Alscott Federal Well No. 3 located in Unit O of Section 31, Township 18 South, Range 29 East, NMPM. It was completed in the Strawn formation on October 10, 1985. The top of the perforations is at 10,236 feet.

(6) There is need for certain extensions to the South Loving-Delaware Pool, the Owen Mesa-Atoka Gas Pool, the Salt Draw-Atoka Gas Pool, and the Sheep Draw-Strawn Gas 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 San Andres production is hereby created and designated as the Espuela-San Andres Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 26 EAST, NMPM
Section 16: SE/4
Section 21: N/2 and SW/4

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 5: SW/4

-3-

Case No. 9004

Order No. R-8317

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

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 5: E/2

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 31: SE/4

(e) The South Loving-Delaware 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 20: N/2

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 25: W/2

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 27: All

(h) The Sheep Draw-Strawn Gas 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 11: All

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, 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

-4-


Case No. 9004
Order No. R-8317

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 November 1, 1986.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

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