

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. 9008
Order No. R-8340

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 22, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of November, 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 Lea County, New Mexico, for the production of oil from the Grayburg formation, said pool to bear the designation of Quail-Grayburg Pool. Said Quail-Grayburg Pool was discovered by the Fred G. Yates Reddy-Gulf State Well No. 3 located in Unit E of Section 18, Township 19 South, Range 35 East, NMPM. It was completed in the Grayburg formation on May 24, 1986. The top of the perforations is at 5,646 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Tatum-Morrow Gas Pool. Said Tatum-Morrow Gas Pool was discovered by the John L. Cox State 26 Well No. 1 located in Unit N of Section 26, Township 12 South, Range 36 East, NMPM. It was completed in the Morrow formation on March 15, 1986. The top of the perforations is at 12,674 feet.

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(4) There is need for the creation of a new pool in Roosevelt County, New Mexico, for the production of gas from the Montoya formation, said pool to bear the designation of Tule-Montoya Gas Pool. Said Tule-Montoya Gas Pool was discovered by the Marshall Pipe & Supply Company Wendell Best Well No. 1 located in Unit J of Section 27, Township 2 South, Range 29 East, NMPM. It was completed in the Montoya formation on May 20, 1986. The top of the perforations is at 7,006 feet.

(5) There is need for certain extensions to the Buffalo-Yates Pool, the South Corbin-Bone Spring Pool, the Central Corbin-Queen Pool, the South Corbin-Wolfcamp Pool, the South Double A-Abo Pool, the Kemnitz-Lower Wolfcamp Pool, the South Kemnitz-Upper Wolfcamp Pool, the Northeast Lea-Delaware Pool, the East Lusk-Wolfcamp Pool, the Midway-Abo Pool, the Querecho Plains-Upper Bone Spring Pool, the Shipp-Strawn Pool, and the Teas-Bone Spring Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 18: NW/4

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

TOWNSHIP 12 SOUTH, RANGE 36 EAST, NMPM
Section 26: S/2

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

TOWNSHIP 2 SOUTH, RANGE 29 EAST, NMPM
Section 27: S/2

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 6: NE/4

(e) The South Corbin-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 21: E/2
Section 22: NW/4

(f) The Central Corbin-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 4: S/2 NE/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 21: NE/4
Section 22: NW/4

(h) The South Double A-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 36: NE/4

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 31: NW/4

(i) The Kemnitz-Lower Wolfcamp 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 33: NE/4
Section 34: NW/4

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(j) The South Kemnitz-Upper Wolfcamp 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 33: E/2
Section 34: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 35: SE/4

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 2: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 2: NW/4
Section 3: E/2

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

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 13: NW/4

(n) The Querecho Plains-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 32 EAST, NMPM
Section 22: SE/4

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 9: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 14: S/2
Section 23: 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 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



RICHARD L. STAMETS
Director

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