

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. 9102
Order No. R-8409

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 4, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 7th day of March, 1987, 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 Wolfcamp formation, said pool to bear the designation of Southwest Austin-Wolfcamp Pool. Said Southwest Austin-Wolfcamp Pool was discovered by the Harvey E. Yates Company Goodrich Com Well No. 1 located in Unit F of Section 11, Township 15 South, Range 35 East, NMPM. It was completed in the Wolfcamp formation on November 26, 1986. The top of the perforations is at 10,298 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of North Hume-Wolfcamp Pool. Further, the discovery well for said North Hume-Wolfcamp Pool, the Santa Fe Energy Operating Partners, L.P. N. H. 5 Federal Well No. 1 located in Unit G of Section 5, Township 16 South, Range 34 East, NMPM, is entitled to

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and should receive a bonus discovery allowable in the amount of 30,165 barrels to be assigned over a two-year period. Said discovery well was completed in the Wolfcamp formation on January 8, 1987. The top of the perforations is at 10,176 feet.

(4) There is need for certain extensions to the North Air Strip-Bone Spring Pool, the Central Corbin-Queen Pool, the West Grama Ridge-Bone Spring Pool, the West Knowles-Drinkard Pool, the Northeast Lovington-Pennsylvanian Pool, the East Mason-Delaware Pool, the Querecho Plains-Upper Bone Spring Pool, the South Sand Dunes-Bone Spring Pool, the North Sanmal-Pennsylvanian Pool, the Shipp-Strawn Pool, and the Vacuum-Strawn Pool in Lea County, New Mexico, and the Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy and Lea Counties, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 11: NW/4

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 5: Lots 1, 2, 7, and 8

Further, the discovery well for said North Hume-Wolfcamp Pool, the Santa Fe Energy Operating Partners L.P. N. H. 5 Federal Well No. 1 located in Unit G of Section 5, Township 16 South, Range 34 East, NMPM, is hereby assigned a bonus discovery allowable of 30,165 barrels to be produced over a two-year period.

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

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 14: NW/4

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(d) 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 3: NW/4

(e) The West Grama Ridge-Bone Spring 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 5: S/2

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 33: W/2

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 16: SE/4

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

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
Section 19: SE/4

(i) 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 23: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 29: SW/4
Section 30: SE/4
Section 32: N/2

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 8: N/2 and SE/4

(l) 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 3: NW/4

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

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

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

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 13: N/2

IT IS FURTHER ORDERED THAT:

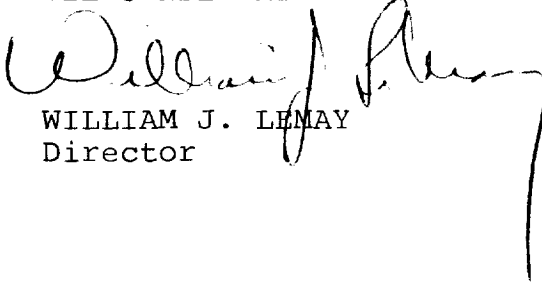
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective 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 shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, assignments of discovery allowable, and extensions included herein shall be April 1, 1987.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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