

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9298
Order No. R-8592

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 8:15 a.m. on January 20, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 25th day of January, 1988, 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 gas from the Wolfcamp formation, said pool to bear the designation of Alacran Hills-Wolfcamp Gas Pool. Said Alacran Hills-Wolfcamp Gas Pool was discovered by the BHP Petroleum Company, Inc. Cerf Federal Com Well No. 1, located in Unit C of Section 10, Township 21 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on August 14, 1987. The top of the perforations is at 9,328 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 Ingle Wells-Bone Spring Pool. Said Ingle Wells-Bone Spring Pool was discovered by the Santa Fe Energy Partners L.P. Triple S 33 Federal Well No. 1, located in Unit G of Section

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33, Township 23 South, Range 31 East, NMPM. It was completed in the Bone Spring formation on September 26, 1987. The top of the perforations is at 9,270 feet.

(4) 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 Poker Lake-Delaware Pool. Said Poker Lake-Delaware Pool was discovered by the Bass Enterprises Production Company Poker Lake Unit Well No. 68, located in Unit B of Section 20, Township 24 South, Range 31 East, NMPM. It was completed in the Delaware formation on October 8, 1987. The top of the perforations is at 4,376 feet.

(5) There is need for certain extensions to the Artesia Queen-Grayburg-San Andres Pool, the East Carlsbad-Wolfcamp Gas Pool, the Shugart Yates-Seven Rivers-Queen-Grayburg Pool, and the North Shugart-Bone Spring Pool, all in Eddy County, New Mexico, and the Foor Ranch Pre-Permian Gas Pool, the South Pecos Slope-Abo Gas Pool, and the West Pecos Slope-Abo Gas Pool, all in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 10: N/2

(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 Ingle Wells-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 33: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 20: NE/4

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(d) The Artesia 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 28 EAST, NMPM
Section 25: SW/4

(e) The East Carlsbad-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 1: S/2

(f) The Foor Ranch Pre-Permian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 11: E/2

(g) The South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 25 EAST, NMPM
Section 32: E/2

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 2: NW/4
Section 6: SW/4

(h) The West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 5 SOUTH, RANGE 21 EAST, NMPM
Section 35: SW/4

(i) The North Shugart-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 7: E/2
Section 8: N/2

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

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM
Section 2: N/2

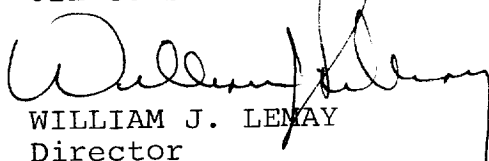
IT IS FURTHER ORDERED THAT:

(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.

(2) The effective date of this order and all creations and extensions included herein shall be February 1, 1988.

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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