

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. 9411
Order No. R-8668

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 8, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 10th day of June, 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 Lea County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of Southeast Buffalo-Bone Spring Pool. Said Southeast Buffalo-Bone Spring Pool was discovered by the Sun Exploration and Production Company Buffalo Federal Well No. 1 located in Unit B of Section 11, Township 19 South, Range 33 East, NMPM. It was completed in the Bone Spring formation on February 8, 1988. The top of the perforations is at 9,264 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Ellenburger formation, said pool to bear the designation of North Teague-Ellenburger Pool. Further, the discovery well for said North Teague-Ellenburger Pool, the Texaco Producing Inc. B. F. Harrison B TN Well No. 1 located in Unit C of

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Section 9, Township 23 South, Range 37 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 50,820 barrels of oil to be assigned over a two-year period. Said discovery well was completed in the Ellenburger formation on March 25, 1988. The top of the perforations is at 10,182 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Pennsylvanian formation, said pool to bear the designation of West Tulk-Pennsylvanian Pool. Said West Tulk-Pennsylvanian Pool was discovered by the BTA Oil Producers Tulk 8801-JV-P Well No. 1 located in Unit O of Section 20, Township 14 South, Range 32 East, NMPM. It was completed in the Pennsylvanian formation on April 1, 1988. The top of the perforations is at 9,808 feet.

(5) There is need for certain extensions to the Air Strip-Bone Spring Pool, the Antelope Ridge-Atoka Gas Pool, the South Corbin-Wolfcamp Pool, the Gladiola-Wolfcamp Pool, the Hardy Tubb-Drinkard Pool, the Lane-Abo Pool, the Moore-Permo Pennsylvanian Pool, the Shipp-Strawn Pool, and the Skaggs-Abo Gas 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 Bone Spring production is hereby created and designated as the Southeast Buffalo-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 11: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 9: NW/4

Further, the discovery well, the Texaco Producing Inc. B. F. Harrison B TN Well No. 1 located in Unit C of Section 11, Township 23 South, Range 37 East, NMPM, is hereby assigned a bonus discovery allowable of 50,820 barrels to be produced over a two-year period.

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

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
Section 20: SE/4

(d) The 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 34: E/2
Section 35: NW/4

(e) The Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 11: NE/4

(f) 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 8: SW/4

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

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 16: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 3: Lots 9, 10, 15, and 16

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

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 35: N/2 and SE/4

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

TOWNSHIP 11 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4

(k) The Shipp-Strawn 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 35: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 2: SE/4
Section 11: 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 within said 60-day period shall subject the well to cancellation of allowable.

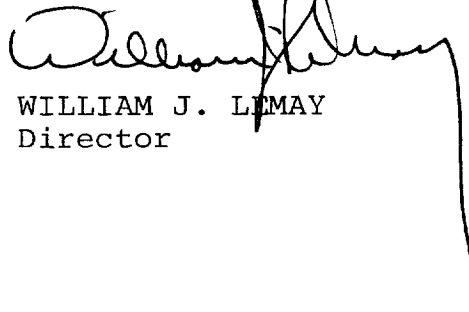
(2) The effective date of this order and all creations, assignments of discovery allowables, and extensions included herein shall be July 1, 1988.

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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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