

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. 9548
Order No. R-8826

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 December 7, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 22nd day of December, 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 gas from the Morrow formation, said pool to bear the designation of North Baum-Morrow Gas Pool. Said North Baum-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Lazy Tree State Unit Well No. 1 located in Unit A of Section 12, Township 13 South, Range 32 East, NMPM. It was completed in the Morrow formation on March 3, 1988. The top of the perforations is at 11,478 feet.
- (3) 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 Hat Mesa-Bone Spring Pool. Said Hat Mesa-Bone Spring Pool

-2-

Case No. 9548

Order No. R-8826

was discovered by the MorOilCo, Inc. Gavilon Federal Well No. 1 located in Unit L of Section 33, Township 20 South, Range 33 East, NMPM. It was completed in the Bone Spring formation on January 8, 1988. The top of the perforations is at 9,492 feet.

(4) There is need for certain extensions to the North Berry-Bone Spring Pool, the South Corbin-Bone Spring Pool, the West Corbin-Delaware Pool, the South Corbin-Morrow Gas Pool, the Northeast Lovington-Pennsylvanian Pool, the North Lusk-Bone Spring Pool, the Monument-Tubb Pool, and the Ojo Chiso-Morrow Gas Pool, all in Lea County, New Mexico, and the Peterson-Mississippian Pool, the Todd-Lower San Andres Associated Pool, and the Tule-Pennsylvanian Pool, all in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 12: E/2

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 33: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 5: Lot 13 and SW/4
Section 6: Lots 9, 10, 15 and 16

(d) 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 22: SW/4
Section 27: NW/4

-3-

Case No. 9548

Order No. R-8826

(e) The West Corbin-Delaware 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 13: S/2

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 16: NW/4
Section 17: NE/4
Section 18: W/2

(f) The South Corbin-Morrow Gas 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 26: N/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 8: SW/4
Section 17: NW/4
Section 32: NW/4

(h) The North Lusk-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 33: SW/4

(i) The Monument-Tubb 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 8: SE/4
Section 9: SW/4

(j) The Ojo Chiso-Morrow Gas 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 23: NE/4

-4-

Case No. 9548
Order No. R-8826

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

TOWNSHIP 4 SOUTH, RANGE 33 EAST, NMPM

Section 17: SE/4

Section 20: E/2

(l) The Todd-Lower San Andres Associated Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 36 EAST, NMPM

Section 29: NE/4

(m) The Tule-Pennsylvanian Gas Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 2 SOUTH, RANGE 29 EAST, NMPM

Section 23: S/2

Section 27: SW/4

Section 34: 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 January 1, 1989.

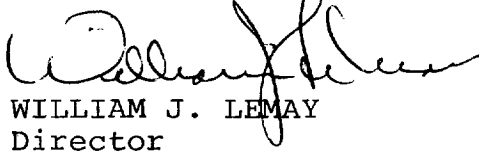
-5-

Case No. 9548

Order No. R-8826

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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