

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. 9687
Order No. R-8946

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING 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 7, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of June, 1989, 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 Reeves-Wolfcamp Pool. Said Reeves-Wolfcamp Pool was discovered by the Terra Resources Inc. Terra Exxon 23 State Well No. 1 located in Unit H of Section 23, Township 18 South, Range 35 East, NMPM. It was completed in the Wolfcamp formation on January 15, 1989. The top of the perforations is at 10,354 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Sand Springs-Atoka Gas Pool. Said Sand Springs-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Tenneco

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ADP State Com Well No. 1 located in Unit P of Section 2, Township 11 South, Range 34 East, NMPM. It was completed in the Atoka formation on April 17, 1986. The top of the perforations is at 11,911 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of North Young-Delaware Pool. Said North Young-Delaware Pool was discovered by the Harvey E. Yates West Young 8 Federal Well No. 1 located in Unit I of Section 8, Township 18 South, Range 32 East, NMPM. It was completed in the Delaware formation on March 5, 1989. The top of the perforations is at 5,020 feet.

(5) There is need for certain extensions to the Antelope Ridge-Atoka Gas Pool, the Bilbrey-Morrow Gas Pool, the Hare-San Andres Gas Pool, the Humble City-Strawn Pool, the South Lea-San Andres Pool, the Northeast Lovington-Pennsylvanian Pool, the West Lusk-Delaware Pool, the Maljamar Grayburg-San Andres Pool, the Monument-Tubb Pool, the West Pitchfork Ranch-Atoka Gas Pool, the Querecho Plains-Upper Bone Spring Pool, and the South Shoe Bar-Atoka 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 Wolfcamp production is hereby created and designated as the Reeves-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 23: NE/4

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

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 2: S/2

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

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TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 8: SE/4

(d) 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: SE/4

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 28: E/2
Section 33: N/2

(f) The Hare-San Andres Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 22: NW/4

(g) The Humble City-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 11: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 1: SW/4
Section 12: NW/4

(i) 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 36 EAST, NMPM
Section 12: SE/4

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 21: E/2

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(j) The West Lusk-Delaware 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 30: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 35: SW/4

(l) 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 23: NW/4

(m) The West Pitchfork Ranch-Atoka Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 18: W/2
Section 19: 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 13: SW/4

(o) The South Shoe Bar-Atoka Gas 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 22: SE/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

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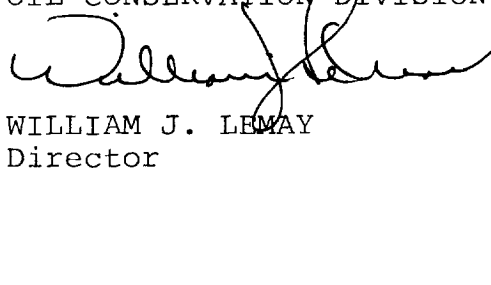
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providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to 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 July 1, 1989.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read 'William J. Lemay', is written over the typed name and title. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the signature.

WILLIAM J. LEMAY
Director

S E A L

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