

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. 9848
Order No. R-9095

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 27, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of January, 1990, 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 Delaware formation, said pool to bear the designation of Hat Mesa-Delaware Pool. Said Hat Mesa-Delaware Pool was discovered by the Strata Production Company New Mexico A Federal Well No. 1 located in Unit F of Section 4, Township 21 South, Range 32 East, NMPM. It was completed in the Delaware formation on September 18, 1989. The top of the perforations is at 6,834 feet.
- (3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Northwest Jenkins-San Andres Pool. Said Northwest Jenkins-San Andres Pool was discovered by the Kerr-McGee Corporation

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McMillen Well No. 1 located in Unit O of Section 3, Township 9 South, Range 34 East, NMPM. It was completed in the San Andres formation on October 31, 1989. The top of the perforations is at 4,606 feet.

(4) 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 South Quail Ridge-Bone Spring Pool. Said South Quail Ridge-Bone Spring Pool was discovered by the Pennzoil Exploration and Production Company Lea Chaparral Federal Com Well No. 1 located in Unit K of Section 33, Township 19 South, Range 34 East, NMPM. It was completed in the Bone Spring formation on August 22, 1989. The top of the perforations is at 10,153 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of South Teague-Abo Pool. Said South Teague-Abo Pool was discovered by the Arch Petroleum Inc. E. C. Hill D Federal Well No. 1 located in Unit H of Section 34, Township 23 South, Range 37 East, NMPM. It was completed in the Abo formation on August 21, 1989. The top of the perforations is at 6,638 feet.

(6) 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 South Tonto-Bone Spring Pool. Said South Tonto-Bone Spring Pool was discovered by the Harvey E. Yates Company Federal "19" Well No. 1 located in Unit N of Section 19, Township 19 South, Range 33 East, NMPM. It was completed in the Bone Spring formation on November 14, 1989. The top of the perforations is at 9,785 feet.

(7) There is need for certain extensions to the Tobac-Pennsylvanian Pool in Chaves County, New Mexico, and the Bilbrey-Morrow Gas Pool, the East Bishop Canyon-San Andres Pool, the South Corbin-Bone Spring Pool, the South Corbin-Wolfcamp Pool, the Nadine Drinkard-Abo Pool, the Teas-Bone Spring Pool, the Tonto-Bone Spring Pool, and the Williams-Pennsylvanian Pool, all in Lea County, New Mexico.

(8) The effective date of this order and all creations and extensions included herein should be January 1, 1990.

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 4: Lots 3, 4, 5 and 6

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

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
Section 3: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 33: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 34: NE/4

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

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

(f) 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: W/2

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

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 11: NW/4

(h) 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 17: S/2

(i) 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 19: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 26: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 2: NW/4

(l) The Tobac-Pennsylvanian Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 34: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 8: S/2
Section 9: SW/4

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

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 20: SE/4

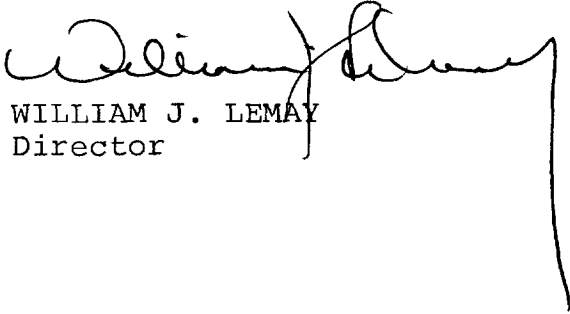
IT IS FURTHER ORDERED THAT:

(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 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, 1990.

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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