

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. 9936  
Order No. R-9171

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER CREATING, ABOLISHING, CONTRACTING,  
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 May 2, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 4th day of May, 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 Chaves County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of South Acme-San Andres Pool. Said South Acme-San Andres Pool was discovered by the Yates Petroleum Corporation Cactus Flower State Unit Well No. 2 located in Unit F of Section 19, Township 8 South, Range 27 East, NMPM. It was completed in the San Andres formation on August 7, 1989. The top of the perforations is at 1,969 feet.

(3) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Otterback Ranch-Atoka Gas Pool. Said Otterback Ranch-

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Atoka Gas Pool was discovered by the Foran Oil Company State ET Well No. 1 located in Unit C of Section 36, Township 15 South, Range 27 East, NMPM. It was completed in the Atoka formation on June 10, 1989. The top of the perforations is at 8,712 feet.

(4) 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 Pierce Crossing-Bone Spring Pool. Said Pierce Crossing-Bone Spring Pool was discovered by the Quinoco Petroleum Inc. Queen Lake 20 Federal Well No. 1 located in Unit E of Section 20, Township 24 South, Range 29 East, NMPM. It was completed in the Bone Spring formation on October 19, 1989. The top of the perforations is at 8,966 feet.

(5) 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 Russell-Wolfcamp Gas Pool. Said Russell-Wolfcamp Gas Pool was discovered by The Petroleum Corporation of Delaware Superior Federal Well No. 5 located in Unit K of Section 5, Township 20 South, Range 29 East, NMPM. It was completed in the Wolfcamp formation on July 31, 1989. The top of the perforations is at 9,665 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of West Scanlon Draw-Wolfcamp Pool. Said West Scanlon Draw-Wolfcamp Pool was discovered by the Pennzoil Exploration Winchester Federal Well No. 1 located in Unit H of Section 4, Township 20 South, Range 28 East, NMPM. It was completed in the Wolfcamp formation on July 8, 1982. The top of the perforations is at 8,849 feet.

(7) There is need for the dismissal of the proposed abolishment of the Rabbit Flats-PrePermian Gas Pool in Chaves County, New Mexico, pending further study.

(8) There is need for the dismissal of the proposed contraction of the Comanche Spring-PrePermian Gas Pool in Chaves County, New Mexico, pending further study.

(9) There is need for the dismissal of the proposed extension to the Comanche Spring-PrePermian Gas Pool in Chaves County, New Mexico, pending further study.

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(10) There is need for the dismissal of the proposed extension to the North Shugart-Bone Spring Pool in Eddy County, New Mexico, pending further study.

(11) There is need for certain extensions to the South Palma Mesa-Pennsylvanian Gas Pool in Chaves County, New Mexico, and the South Carlsbad-Strawn Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the South Dagger Draw-Upper Pennsylvanian Associated Pool, the Diamond Mound-Morrow Gas Pool, the Grayburg-Morrow Gas Pool, the La Huerta-Delaware Pool, the East Loving-Delaware Pool, the North Loving-Atoka Gas Pool, the Parkway-Bone Spring Pool, the Parkway-Delaware Pool, the Salt Draw-Atoka Gas Pool, the South Sand Dunes-Lower Pennsylvanian Gas Pool, the Shugart Yates-Seven Rivers-Queen-Grayburg Pool, the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool, and the Winchester-Bone Spring Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM  
 Section 19: W/2  
 Section 30: NW/4

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

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
 Section 36: W/2

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM  
 Section 20: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 5: W/2

(e) A new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the West Scanlon Draw-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 4: NE/4

(f) The proposed abolishment of the Rabbit Flats-PrePermian Gas Pool in Chaves County, New Mexico, is hereby dismissed.

(g) The proposed contraction of the Comanche Spring-PrePermian Gas Pool in Chaves County, New Mexico, is hereby dismissed.

(h) The South Carlsbad-Strawn 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 32: All  
Section 33: S/2

(i) The proposed extension to the Comanche Spring-PrePermian Gas Pool in Chaves County, New Mexico, is hereby dismissed.

(j) The North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 24: W/2

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 1: SW/4  
Section 2: N/2

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(k) The South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

Section 11: S/2

Section 14: All

(l) The Diamond Mound-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM

Section 6: E/2

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 14: W/2

(n) The La Huerta-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 9: S/2

(o) The East Loving-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 14: NW/4

(p) The North Loving-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 19: E/2

Section 30: E/2

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(q) The South Palma Mesa-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM  
Section 26: All

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 34: NW/4

(s) The Parkway-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 26: SW/4

(t) The Salt Draw-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 28: E/2

(u) The South Sand Dunes-Lower Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 15: W/2  
Section 16: E/2

(v) 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 18 SOUTH, RANGE 31 EAST, NMPM  
Section 7: SE/4

(w) The proposed extension to the North Shugart-Bone Spring Pool in Eddy County, New Mexico, is hereby dismissed.

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(x) The Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 11: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 32: W/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 June 1, 1990.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*William J. Lemay by David R. Catant*

WILLIAM J. LEMAY  
Director

S E A L  
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