

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. 10065
Order No. R-9271

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 August 22, 1990, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of August, 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 gas from the Atoka formation, said pool to bear the designation of West Bootleg Ridge-Atoka Gas Pool. Said West Bootleg Ridge-Atoka Gas Pool was discovered by the Mercury Exploration Company Connally Federal Well No. 1 located in Unit J of Section 15, Township 22 South, Range 32 East, NMPM. It was completed in the Atoka formation on February 13, 1990. The top of the perforations is at 13,636 feet.

(3) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the San Andres formation, said pool to bear the designation

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of West Cato-San Andres Gas Pool. Said West Cato-San Andres Gas Pool was discovered by the Stevens Operating Corporation C. L. O'Brien Well No. 2 located in Unit H of Section 7, Township 8 South, Range 30 East, NMPM. It was completed in the San Andres formation on January 18, 1990. The top of the perforations is at 3,184 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Paddock formation, said pool to bear the designation of North Justis-Paddock Pool. Said North Justis-Paddock Pool was discovered by the Texaco Inc. G. L. Erwin B Federal NCT-2 Well No. 1 located in Unit P of Section 35, Township 24 South, Range 37 East, NMPM. It was completed in the Paddock formation on April 16, 1990. The top of the perforations is at 4,880 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Blinebry formation, said pool to bear the designation of West Lovington-Blinebry Pool. Said West Lovington-Blinebry Pool was discovered by the Mallon Oil Company Mobil 5 State Well No. 1 located in Unit O of Section 5, Township 17 South, Range 36 East, NMPM. It was completed in the Blinebry formation on June 29, 1990. The top of the perforations is at 7,122 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Wolfcamp and Pennsylvanian formations, said pool to bear the designation of Nobien Wolfcamp-Pennsylvanian Gas Pool. Said Nobien Wolfcamp-Pennsylvanian Gas Pool was discovered by the Yates Petroleum Corporation Paduca Unit Well No. 3 located in Unit I of Section 23, Township 25 South, Range 32 East, NMPM. It was completed in the Wolfcamp and Pennsylvanian formations on September 5, 1989. The top of the perforations is at 12,949 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of Pitchfork Ranch-Strawn Pool. Said Pitchfork Ranch-Strawn Pool was discovered by the Bruce A. Wilbanks Company Moore "34" Com Well No. 1 located in Unit G of Section 34, Township 24 South, Range 34 East, NMPM. It was completed in the Strawn formation on April 30, 1990. The top of the perforations is at 13,647 feet.

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(8) 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 S.R.R.-San Andres Pool. Said S.R.R.-San Andres Pool was discovered by the Spence Energy Company Kellahin 14 State Well No. 2 located in Unit P of Section 14, Township 9 South, Range 32 East, NMPM. It was completed in the San Andres formation on May 16, 1990. The top of the perforations is at 4,212 feet.

(9) 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 Mid Vacuum-Delaware Pool. Said Mid Vacuum-Delaware Pool was discovered by the Maralo Inc. Maralo SV-16 State Well No. 1 located in Unit L of Section 16, Township 18 South, Range 35 East, NMPM. It was completed in the Delaware formation on February 1, 1990. The top of the perforations is at 6,265 feet.

(10) There is need for certain extensions to the Antelope Ridge-Atoka Gas Pool, the South Corbin-Bone Spring Pool, the West Corbin-Delaware Pool, the South Corbin-Wolfcamp Pool, the Gem-Morrow Gas Pool, the Gem-Wolfcamp Pool, the Hat Mesa-Morrow Gas Pool, the Hume-Atoka Gas Pool, the North Hume-Wolfcamp Pool, the East Lusk-Morrow Gas Pool, the Nadine Drinkard-Abo Pool, the South Osudo-Morrow Gas Pool, the Pearl-Queen Pool, the Red Hills-Wolfcamp Gas Pool, the Skaggs-Drinkard Pool, and the Tonto-Wolfcamp Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 15: S/2

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

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TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 7: NE/4
Section 8: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 35: SE/4

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

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 5: SE/4

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

TOWNSHIP 25 SOUTH, RANGE 32 EAST, NMPM
Section 23: E/2

(f) A new pool in Lea County, New Mexico, classified as an oil pool for Strawn production is hereby created and designated as the Pitchfork Ranch-Strawn Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 34: NE/4

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

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4

(h) A new pool in Lea County, New Mexico, classified as an oil pool for Delaware production is hereby created

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and designated as the Mid Vacuum-Delaware Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 16: SW/4

(i) The Antelope Ridge-Atoka 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 26: E/2

(j) 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 18: SE/4

(k) 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 12: SW/4
Section 13: NW/4

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 22: NW/4

(l) 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 28: NE/4

(m) The Gem-Morrow Gas 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 29: N/2

(n) The Gem-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby

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extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 23: S/2

(o) The Hat Mesa-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 1: Lots 1, 2, 7, 8, 9, 10,
15 and 16

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 5: SW/4
Section 8: W/2

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 8: NE/4

(r) The East Lusk-Morrow Gas 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 26: SE/4
Section 35: N/2

(s) 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 27: SE/4

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

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TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 16: E/2

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 28: NE/4

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

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM
Section 7: All

(w) The Skaggs-Drinkard 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 14: NE/4

(x) The Tonto-Wolfcamp 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 14: SW/4
Section 22: NE/4
Section 23: NW/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

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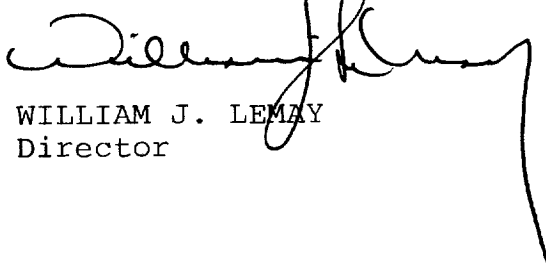
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to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations and extensions included herein shall be September 1, 1990.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name and title. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY
Director

S E A L

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