

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. 10277  
Order No. R-9472

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER CREATING, ASSIGNING A DISCOVERY  
ALLOWABLE, 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 March 21, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of March, 1991, 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 Queen formation, said pool to bear the designation of Buffalo-Queen Pool. Further, the discovery well for said Buffalo-Queen Pool, the Harvey E. Yates Company Atlantic 32 State Well No. 1 located in Unit C of Section 32, Township 18 South, Range 33 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 22,100 barrels of oil to be assigned over a two-year period. Said discovery well was completed in the Queen formation on November 14, 1990. The top of the perforations is at 4,438 feet.

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(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Tubb formation, said pool to bear the designation of South Fowler-Tubb Pool. Said South Fowler-Tubb Pool was discovered by the Chevron USA Inc. Plains Knight Well No. 2 located in Unit N of Section 23, Township 24 South, Range 37 East, NMPM. It was completed in the Tubb formation on January 21, 1991. The top of the perforations is at 5,848 feet.

(4) There is need for the dismissal of the proposed creation of the South Shoe Bar-Wolfcamp Pool in Lea County, New Mexico, pending further study.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Grayburg formation, said pool to bear the designation of Young-Grayburg Pool. Said Young-Grayburg Pool was discovered by the Siete Oil and Gas Corporation Inca Federal Well No. 8 located in Unit F of Section 17, Township 18 South, Range 32 East, NMPM. It was completed in the Grayburg formation on December 17, 1990. The top of the perforations is at 4,440 feet.

(6) There is need for certain extensions to the Bilbrey-Morrow Gas Pool, the South Corbin-Bone Spring Pool, the West Corbin-Delaware Pool, the South Corbin-Queen Pool, the South Corbin-Wolfcamp Pool, the Gem-Morrow Gas Pool, the East Gem-Morrow Gas Pool, the East Grama Ridge-Morrow Gas Pool, the Lane-San Andres Pool, the Osudo-Morrow Gas Pool, the Pitchfork Ranch-Morrow Gas Pool, the Quail Ridge-Delaware Pool, the Shipp-Strawn Pool, and the South Vacuum-Wolfcamp 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 Queen production is hereby created and designated as the Buffalo-Queen Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 32: NW/4

Further, the discovery well for said Buffalo-Queen Pool, the Harvey E. Yates Company Atlantic 32 State Well No. 1 located in Unit C of Section 32, Township 18 South, Range 33 East, NMPM, is hereby assigned a bonus discovery allowable of 22,100 barrels of oil to be produced over a two-year period.

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM  
Section 23: SW/4

(c) The proposed creation of the South Shoe Bar-Wolfcamp Pool in Lea County, New Mexico, is hereby dismissed.

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 17: NW/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 27: S/2

(f) 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 19: SE/4

(g) 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: SE/4

(h) The South Corbin-Queen 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: SW/4  
Section 27: SE/4

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(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 8: NW/4

(j) 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 31: SW/4

(k) The East 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 14: E/2

(l) The East Grama Ridge-Morrow Gas 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 27: E/2

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

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM  
Section 36: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM  
Section 17: S/2

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM  
Section 6: S/2

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(p) The Quail Ridge-Delaware 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 3: SW/4

(q) The Shipp-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 4: SW/4  
Section 5: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 16: NE/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.

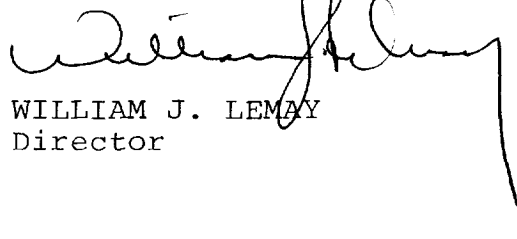
(2) The effective date of this order and all creations, assignments of discovery allowable, and extensions included herein shall be April 1, 1991.

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DONE at Santa Fe, New Mexico, on the day 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 printed name. 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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