

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. 10382
Order No. R-9578

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING 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
September 5, 1991, at Santa Fe, New Mexico, before
Examiner Michael E. Stogner.

NOW, on this 10th day of September, 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
Eddy County, New Mexico, for the production of gas from the
Canyon formation, said pool to bear the designation of
Frontier Hills-Upper Pennsylvanian Gas Pool. Said Frontier
Hills-Upper Pennsylvanian Gas Pool was discovered by the
Pacific Enterprises Oil Company PEOC 15 State Well No. 1
located in Unit L of Section 15, Township 23 South, Range
26 East, NMPM. It was completed in the Canyon formation
on March 12, 1991. The top of the perforations is at
10,178 feet.

(3) There is need for the creation of a new pool in
Chaves County, New Mexico, for the production of gas from
the Pennsylvanian formation, said pool to bear the design-
ation of North Newmill-Pennsylvanian Gas Pool. Said

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North Newmill-Pennsylvanian Gas Pool was discovered by the Robert J. Mannes State 35 Well No. 1 located in Unit J of Section 35, Township 3 South, Range 27 East, NMPM. It was completed in the Pennsylvanian formation on July 18, 1990. The top of the perforations is at 6,350 feet.

(4) There is need for certain extensions to the Buffalo Valley-Pennsylvanian Gas Pool and the South Palma Mesa-Pennsylvanian Gas Pool, both in Chaves County, New Mexico, and the East Burton Flat-Strawn Gas Pool, the Cabin Lake-Delaware Pool, the South Carlsbad-Morrow Gas Pool, the East Catclaw Draw-Delaware Pool, the South Culebra Bluff-Atoka Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the South Dagger Draw-Upper Pennsylvanian Associated Pool, the Diamond Mound-Morrow Gas Pool, the Fadeaway Ridge-Delaware Pool, the Grayburg-Morrow Gas Pool, the Ingle Wells-Delaware Pool, the Kennedy Farms-Morrow Gas Pool, the East Loving-Delaware Pool, and the Walters Lake-Bone Spring Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 15: W/2

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

TOWNSHIP 3 SOUTH, RANGE 27 EAST, NMPM
Section 35: E/2

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

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 14: N/2
Section 15: E/2

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(d) The East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 6: W/2

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 12: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 15: All
Section 20: E/2
Section 21: W/2
Section 22: N/2

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 9: SE/4

(h) The South Culebra Bluff-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 36: E/2

(i) 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 25 EAST, NMPM
Section 8: E/2
Section 31: NE/4

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(j) 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 36: N/2

(k) 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 4: S/2

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 6: NE/4

(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 11: S/2

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 35: W/2

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 14: N/2

(p) The East Loving-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and

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described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 21: SE/4

Section 22: SW/4

(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 29: All

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

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 2: SW/4

Section 3: S/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 October 1, 1991.

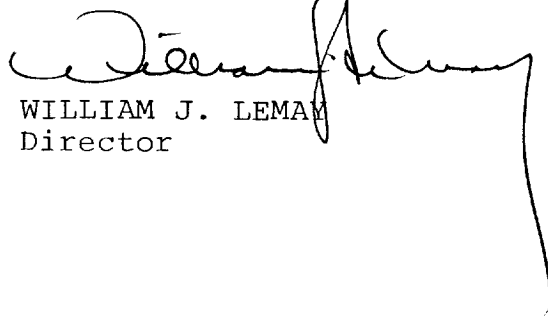
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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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