

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. 10414  
Order No. R-9615

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 21, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 3rd day of December, 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 Delaware formation, said pool to bear the designation of Crazy Horse-Delaware Pool. Said Crazy Horse-Delaware Pool was discovered by the Anadarko Petroleum Corporation Exxon Federal Well No. 1 located in Unit E of Section 19, Township 19 South, Range 33 East, NMPM. It was completed in the Delaware formation on August 5, 1991. The top of the perforations is at 5,492 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Yates-Seven Rivers formations, said pool to bear the designation of Southwest House Yates-Seven Rivers Gas Pool.

-2-

Case No. 10414  
Order No. R-9615

Said Southwest House Yates-Seven Rivers Gas Pool was discovered by the Seay Exploration Inc. Corrigan Well No. 1 located in Unit H of Section 14, Township 20 South, Range 38 East, NMPM. It was completed in the Yates-Seven Rivers formations on September 16, 1991. The top of the perforations is at 2,846 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 Lusk-Bone Spring Pool. Said South Lusk-Bone Spring Pool was discovered by the Texaco Exploration and Production Inc. New Mexico CR State Well No. 1 located in Unit D of Section 32, Township 19 South, Range 32 East, NMPM. It was completed in the Bone Spring formation on July 3, 1990. The top of the perforations is at 9,269 feet.

(5) 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 North Querecho Plains-Delaware Pool. Said North Querecho Plains-Delaware Pool was discovered by the BTA Oil Producers French 9004 JV-P Well No. 4 located in Unit A of Section 24, Township 18 South, Range 32 East, NMPM. It was completed in the Delaware formation on September 13, 1991. The top of the perforations is at 5,846 feet.

(6) There is need for certain extensions to the Blinebry Oil and Gas Pool, the Buffalo-Queen Pool, the West Corbin-Delaware Pool, the DK-Drinkard Pool, the East Garrett-Drinkard Pool, the East Gem-Delaware Pool, the Jenkins-San Andres Pool, the Kemnitz-Morrow Gas Pool, the North Osudo-Morrow Gas Pool, the Rhodes Yates-Seven Rivers Gas Pool, the North Sanmal-Pennsylvanian Pool, the South Shoe Bar-Wolfcamp Pool, the Vacuum-Yates Pool, the Wantz-Granite Wash Pool, the Warren-Drinkard Pool, the East Warren-Tubb Gas Pool, and the North Young-Bone Spring Pool, all in Lea County, New Mexico, and the West Milnesand-Pennsylvanian Pool in Roosevelt County, New Mexico.

(7) The effective date of this order and all creations and extensions included herein should be December 1, 1991.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the Crazy Horse-Delaware Pool, consisting of

-3-

Case No. 10414

Order No. R-9615

the following described area:

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

(b) A new pool in Lea County, New Mexico, classified as a gas pool for Yates-Seven Rivers production is hereby created and designated as the Southwest House Yates-Seven Rivers Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 14: NE/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 Lusk-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 32: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 24: NE/4

(e) The Blinebry Oil and Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 24: SW/4  
Section 25: N/2

(f) The Buffalo-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 29: SW/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 33 EAST, NMPM  
Section 15: SE/4

- 4 -

Case No. 10414  
Order No. R-9615

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 25: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM  
Section 22: SE/4  
Section 23: SW/4  
Section 26: NW/4

(j) The East Gem-Delaware 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 23: S/2

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

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM  
Section 19: SE/4  
Section 20: SW/4  
Section 29: NW/4

(l) The Kemnitz-Morrow 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 16: W/2

(m) The West Milnesand-Pennsylvanian Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM  
Section 24: NE/4

(n) The North Osudo-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is

-5-

Case No. 10414  
Order No. R-9615

hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM  
Section 30: All

(o) The Rhodes Yates-Seven Rivers Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM  
Section 5: NW/4

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 18: E/2

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

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM  
Section 31: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM  
Section 27: NE/4

(s) The Wantz-Granite Wash Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM  
Section 19: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 34: NW/4

-6-

Case No. 10414  
Order No. R-9615

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM  
Section 25: NE/4

(v) The North Young-Bone Spring 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 10: SW/4

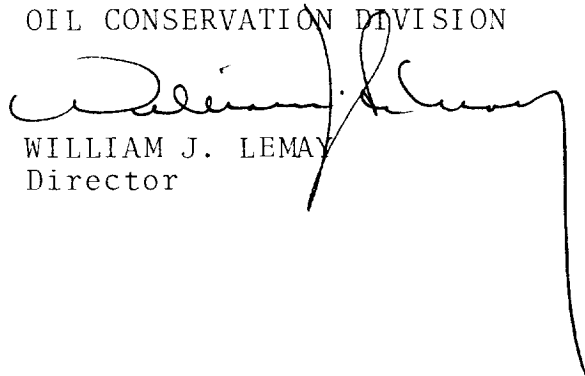
IT IS FURTHER ORDERED THAT:

(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 December 1, 1991.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L  
fd/