

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. 10452
Order No. R-9646

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 March 5, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 11th day of March, 1992, 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 Northwest Bootleg Ridge-Delaware Pool. Said Northwest Bootleg Ridge-Delaware Pool was discovered by the Maralo Inc. Prohibition Federal Unit Well No. 1 located in Unit E of Section 12, Township 22 South, Range 32 East, NMPM. It was completed in the Delaware formation on December 14, 1991. The top of the perforations is at 8,581 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Upper Pennsylvanian formation, said pool to bear the designation of East Feather-Upper Pennsylvanian Pool. Said East Feather-Upper Pennsylvanian Pool was discovered by the

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Yates Petroleum Corporation Scratchy Ranch State Unit Well No. 1 located in Unit J of Section 14, Township 15 South, Range 32 East, NMPM. It was completed in the Upper Pennsylvanian formation on November 15, 1991. The top of the perforations is at 10,536 feet.

(4) 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 Grama Ridge-Delaware Pool. Said Grama Ridge-Delaware Pool was discovered by the BTA Oil Producers N. M. BZ State 8817 JV-P Well No. 1 located in Unit N of Section 26, Township 21 South, Range 34 East, NMPM. It was completed in the Delaware formation on November 10, 1991. The top of the perforations is at 8,284 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Halfway-Morrow Gas Pool. Said Halfway-Morrow Gas Pool was discovered by the Mitchell Energy Corporation Top Hat 26 Federal Well No. 1 located in Unit N of Section 26, Township 20 South, Range 33 East, NMPM. It was completed in the Morrow formation on November 8, 1991. The top of the perforations is at 13,750 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of Northwest Jenkins-Devonian Pool. Said Northwest Jenkins-Devonian Pool was discovered by the Bright & Company Apache Well No. 1 located in Unit E of Section 5, Township 9 South, Range 34 East, NMPM. It was completed in the Devonian formation on January 7, 1992. The top of the perforations is at 12,201 feet.

(7) 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 East Livingston Ridge-Delaware Pool. Said East Livingston Ridge-Delaware Pool was discovered by the Strata Production Company Cercion Federal Well No. 1 located in Unit H of Section 21, Township 22 South, Range 32 East, NMPM. It was completed in the Delaware formation on January 3, 1992. The top of the perforations is at 7,077 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 gas from the Blinebry formation, said pool to bear the designation of North Teague-Blinebry Gas Pool. Said North Teague-Blinebry Gas Pool was discovered by the Texaco Exploration and Production Inc. B. F. Harrison B Well No. 5 located in Unit E of Section 9, Township 23 South, Range 37 East, NMPM. It was completed in the Blinebry formation on October 21, 1991. The top of the perforations is at 5,605 feet.

(9) There is need for certain extensions to the Apache Ridge-Bone Spring Pool, the South Brunson Drinkard-Abo Pool, the Buffalo-Queen Pool, the Buffalo-Yates Pool, the South Corbin-Bone Spring Pool, the West Corbin-Delaware Pool, the Southwest Eunice-San Andres Pool, the Featherstone-Bone Spring Pool, the Northwest Jenkins-San Andres Pool, the Southeast Lea-Wolfcamp Gas Pool, the Quail Ridge-Delaware Pool, the Quail Ridge-Morrow Gas Pool, the Querecho Plains-Lower Bone Spring Pool, the Querecho Plains-Delaware Pool, the Rhodes Yates-Seven Rivers Gas Pool, the South Shoe Bar-Wolfcamp Pool, the West Teas Yates-Seven Rivers Pool, and the North Young Delaware Pool, all in Lea County, New Mexico, and the Cato-San Andres Pool in Chaves County, New Mexico.

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 Northwest Bootleg Ridge-Delaware Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 12: NW/4

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

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4

(c) A new pool in Lea County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the Grama Ridge-Delaware Pool, consisting

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of the following described area:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 26: SW/4
Section 27: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 26: S/2

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

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
Section 5: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 21: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 9: NW/4

(h) The Apache Ridge-Bone Spring 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 31: NE/4
Section 32: NW/4

(i) The South Brunson Drinkard-Abo Pool in Lea County, New Mexico, as heretofore classified, defined,

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and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 6: NW/4

(j) 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: SE/4

(k) The Buffalo-Yates 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 1: NW/4

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

TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMPM
Section 35: NE/4

(m) 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 15: SW/4

(n) 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 14: SE/4
Section 23: N/2

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 5: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 22: N/2

(q) The Northwest 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 34 EAST, NMPM
Section 3: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 35: NE/4

(s) 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 10: W/2

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 12: SE/4
Section 13: N/2

(u) The Querecho Plains-Lower 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 34: SW/4

(v) The Querecho Plains-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 25: SW/4
Section 26: S/2

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(w) 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 8: NW/4

(x) 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 35 EAST, NMPM
Section 36: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 9: NE/4

(z) The North Young-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 9: S/2
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.

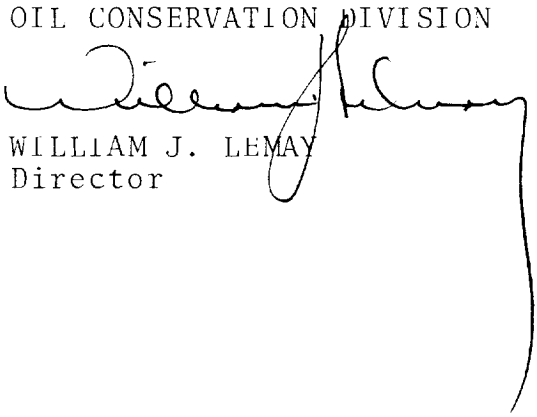
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(2) The effective date of this order and all creations and extensions included herein shall be April 1, 1992.

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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