

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. 10784
Order No. R-9938

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 July 29, 1993, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 17th day of August, 1993, 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 Atoka formation, said pool to bear the designation of West Bear Grass Draw-Atoka Gas Pool. Said West Bear Grass Draw-Atoka Gas Pool was discovered by the Amoco Production Company Empire South Deep Unit Well No. 6 located in Unit P of Section 1, Township 18 South, Range 28 East, NMPM. It was completed in the Atoka formation on May 28, 1993. The top of the perforations is at 10,230 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of North Brushy Draw-Delaware Pool. Said North Brushy Draw-Delaware Pool was discovered by the Southwest Royalties North Brushy Draw 35 Federal Well No. 1 located in Unit G of Section 35,

Township 25 South, Range 29 East, NMPM. It was completed in the Delaware formation on March 25, 1993. The top of the perforations is at 5,583 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Southeast Carlsbad-Wolfcamp Gas Pool. Said Southeast Carlsbad-Wolfcamp Gas Pool was discovered by the Collins and Ware, Inc. Happy Valley Federal Com Well No. 1 located in Unit G of Section 28, Township 22 South, Range 26 East, NMPM. It was completed in the Wolfcamp formation on March 8, 1993. The top of the perforations is at 9,571 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of East Cedar Lake-Morrow Gas Pool. Said East Cedar Lake-Morrow Gas Pool was discovered by the Texaco Exploration and Production, Inc. Dow "B" 33 Federal Well No. 1 located in Unit J of Section 33, Township 17 South, Range 31 East, NMPM. It was completed in the Morrow formation on October 4, 1992. The top of the perforations is at 11,614 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Crooked Creek-Atoka Gas Pool. Said Crooked Creek-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Lechuguilla Canyon AJ Federal Well No. 1 located in Unit O of Section 8, Township 24 South, Range 24 East, NMPM. It was completed in the Atoka formation on December 14, 1992. The top of the perforations is at 9,657 feet.

(7) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of North Hoag Tank-Strawn Gas Pool. Said North Hoag Tank-Strawn Gas Pool was discovered by the Yates Petroleum Corporation Rancherita AMH State Com Well No. 1 located in Unit N of Section 8, Township 19 South, Range 24 East, NMPM. It was completed in the Strawn formation on April 23, 1993. The top of the perforations is at 7,925 feet.

(8) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of Illinois Camp-Bone Spring Pool. Said Illinois Camp-Bone Spring Pool was discovered by the Mewbourne Oil Company Turkey Track "15" State Well No. 1 located in Unit E of Section 15,

Township 18 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on April 17, 1993. The top of the perforations is at 6,418 feet.

(9) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Upper Pennsylvanian formation, said pool to bear the designation of South Indian Basin-Upper Pennsylvanian Gas Pool. Said South Indian Basin-Upper Pennsylvanian Gas Pool was discovered by the Yates Petroleum Corporation Bandana Federal Unit Well No. 1 located in Unit H of Section 20, Township 22 South, Range 24 East, NMPM. It was completed in the Upper Pennsylvanian formation on April 23, 1993. The top of the perforations is at 8,514 feet.

(10) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of South Leo-Wolfcamp Pool. Said South Leo-Wolfcamp Pool was discovered by the Yates Petroleum Corporation Benson Deep Federal ET Com Well No. 1 located in Unit B of Section 33, Township 18 South, Range 30 East, NMPM. It was completed in the Wolfcamp formation on April 14, 1993. The top of the perforations is at 9,563 feet.

(11) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Southeast Quahada Ridge-Delaware Pool. Said Southeast Quahada Ridge-Delaware Pool was discovered by the Enron Oil and Gas James Ranch Unit Well No. 19 located in Unit J of Section 36, Township 22 South, Range 30 East, NMPM. It was completed in the Delaware formation on April 12, 1993. The top of the perforations is at 7,418 feet.

(12) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware (Brushy Canyon) formation, said pool to bear the designation of Red Bluff-Brushy Canyon Pool. Said Red Bluff-Brushy Canyon Pool was discovered by the Yates Petroleum Corporation Flower AGA State Well No. 1 located in Unit I of Section 3, Township 26 South, Range 28 East, NMPM. It was completed in the Brushy Canyon formation on February 11, 1993. The top of the perforations is at 6,039 feet.

(13) There is need for the extension of the Southeast Acme-San Andres Pool, the Coyote-Queen Pool, the South Pecos Slope-Abo Gas Pool, the Pine Lodge-Abo Gas Pool, and the Race Track-Devonian Pool, all in Chaves County, New Mexico, and the East Burton Flat-Strawn Gas Pool, the Cabin Lake-Delaware

Pool, the East Catclaw Draw-Delaware Pool, the Cemetery-Morrow Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the Eagle Creek-Permo Pennsylvanian Gas Pool, the Esperanza-Delaware Pool, the South Golden Lane-Delaware Pool, the Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool, the Greenwood-Bone Spring Pool, the East Herradura Bend-Delaware Pool, the North Illinois Camp-Morrow Gas Pool, the Ingle Wells-Delaware Pool, the Los Medanos-Delaware Pool, the Los Medanos-Morrow Gas Pool, the South Loving-Delaware Pool, the Nash Draw-Cherry Canyon Pool, the East Red Lake-Upper Pennsylvanian Gas Pool, the West Sand Dunes-Delaware Pool, and the Walters Lake-Bone Spring Pool, all in Eddy County, New Mexico.

(14) The effective date of this order and all creations and extensions included herein should be August 1, 1993.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 1: S/2

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

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 35: NE/4
Section 36: W/2

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 28: N/2

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

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TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 33: E/2

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

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 8: S/2

(f) A new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production is hereby created and designated as the North Hoag Tank-Strawn Gas Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 8: S/2

(g) A new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the Illinois Camp-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 15: W/2

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

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM
Section 20: E/2

(i) A new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the South Leo-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 33: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 36: SE/4

(k) A new pool in Eddy County, New Mexico, classified as an oil pool for Delaware (Brushy Canyon) production is hereby created and designated as the Red Bluff-Brushy Canyon Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM
Section 3: SE/4

(l) The Southeast Acme-San Andres 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 11: SE/4
Section 12: SW/4
Section 14: NE/4

(m) 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 29 EAST, NMPM
Section 2: N/2

(n) 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 1: SE/4

(o) 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 16: NW/4

(p) The Cemetery-Morrow Gas 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 35: N/2

(q) The Coyote-Queen Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby

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extended to include therein:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 20: SW/4

(r) 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 21: SW/4

(s) The Eagle Creek-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 15: S/2
Section 16: S/2

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

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 10: S/2
Section 15: W/2

(u) The South Golden Lane-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 8: SE/4

(v) The Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres 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 17: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 12: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 25: SW/4

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 2: SE/4

(y) The North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 36: S/2

(z) 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 26: N/2 and SE/4
Section 35: NE/4

(aa) The Los Medanos-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 17: SE/4

(bb) The Los Medanos-Morrow Gas 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 36: All

(cc) The South Loving-Delaware 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 16: NW/4

(dd) The Nash Draw-Cherry Canyon Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 12: S/2

(ee) The South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 6: NE/4

(ff) The Pine Lodge-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM
Section 7: SE/4
Section 18: E/2 and SW/4

(gg) The Race Track-Devonian Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 13: NE/4

(hh) The East Red Lake-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 27: N/2

(ii) The West Sand Dunes-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 20: SE/4
Section 21: SW/4
Section 28: E/2
Section 33: NW/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 5: NW/4

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

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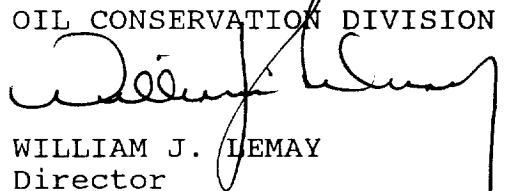
TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 2: SE/4

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 August 1, 1993.

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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