

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. 13120
Order No. R-12002

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING, ABOLISHING,
AND EXTENDING CERTAIN POOLS IN CHAVES AND
EDDY COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 24, 2003, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 11th day of August, 2003, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its **subject** matter.

(2) There is need for the creation of a new pool in Eddy County, New Mexico for the production of oil from the **Wolfcamp** formation, bearing the designation of North **Canyon-Wolfcamp** Pool (Pool Code 96478). The North **Canyon-Wolfcamp** Pool was discovered by the Mar Oil and Gas Corporation DD 24 Federal Well No. 3 (API No. 30-015-27212) located in Unit O of Section 24, Township 19 South, Range 24 East, **NMPM**, which was completed in the Wolfcamp formation on February 6, 1996. The top of the perforations is at 6,218 feet.

(3) 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, bearing the designation of Cass Ranch-Upper Pennsylvanian Gas Pool (Pool Code 97271). The Cass Ranch-Upper Pennsylvanian Gas Pool was discovered by the Dominion Oklahoma Texas Exploration & Production, Inc. **Andalucia** "11" Federal Com. Well

No. 1 (API No. 30-015-32462) located in Unit C of Section 11, Township 20 South, Range 23 East, NMPM, which was completed in the Upper Pennsylvanian formation on April 29, 2003. The top of the perforations is at 6,814 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico for the production of gas from the Atoka formation, bearing the designation of **Dos Hermanos-Atoka** Gas Pool (Pool Code 96475). The **Dos Hermanos-Atoka** Gas Pool was discovered by the Yates Petroleum Corporation Amaranth "AMG" Federal Com. Well No. 1 (API No. 30-015-27375) located in Unit B of Section 12, Township 20 South, Range 30 East, NMPM, which was completed in the Atoka formation on January 18, 1996. The top of the perforations is at 11,889 feet.

(5) 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, bearing the designation of **North Hackberry-Bone** Spring Pool (Pool Code 97056). The **North Hackberry-Bone** Spring Pool was discovered by the Devon Energy Production Company L. P. **Hackberry "6"** Federal Well No. 1 (API No. 30-015-31020) located in Unit J of Section 6, Township 19 South, Range 31 East, NMPM, which was completed in the Bone Spring formation on August 13, 2000. The top of the perforations is at 6,573 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico for the production of oil from the Wolfcamp formation, bearing the designation of **Hackberry-Wolfcamp** Pool (Pool Code 97081). The **Hackberry-Wolfcamp** Pool was discovered by the Devon Energy Production Company, L.P. Ranger "17" Federal Well No. 1 (API No. 30-015-30119) located in Unit L of Section 17, Township 19 South, Range 31 East, NMPM, which was completed in the Wolfcamp formation on March 12, 2001. The top of the perforations is at 10,210 feet.

(7) There is need for the creation of a new pool in Eddy County, New Mexico for the production of gas from the Atoka formation, bearing the designation of **Jahie Lake-Atoka** Gas Pool (Pool Code 97275). The **Jahie Lake-Atoka** Gas Pool was discovered by the Yates Petroleum Corporation Purple Gosling "BBD" State Well No. 1 (API No. 30-005-32469) located in Unit M of Section 2, Township 16 South, Range 28 East, NMPM, which was completed in the Atoka formation on April 27, 2003. The top of the perforations is at 9,098 feet.

(8) There is need for the creation of a new pool in Chaves County, New Mexico for the production of oil from the San **Andres** formation, bearing the designation of **East Race Track-San Andres** Pool (Pool Code 97273). The **East Race Track-San Andres** Pool was discovered by the Elk Oil Company Andrew Fee Well No. 1 (API No. 30-005-63555) located in Unit B of Section 19, Township 10 South, Range 29 East, NMPM, which was completed in the San Andres formation on May 27, 2003. The top of the perforations is at 2,214 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, bearing the designation of Ross Ranch-Upper Pennsylvanian Gas Pool (Pool Code 96701). The Ross Ranch-Upper Pennsylvanian Gas Pool was discovered by the Nearburg Producing Company Morris Arco "26" Well No. 2 (API No. 30-015-29258) located in Unit B of Section 26, Township 19 South, Range 25 East, NMPM, which was completed in the Cisco-Canyon formation on February 19, 1997. The top of the perforations is at 7,781 feet.

(10) There is need for the creation of a new pool in Eddy County, New Mexico for the production of gas from the Atoka formation, bearing the designation of North Seven Rivers Hills-Atoka Gas Pool (Pool Code 97272). The North Seven Rivers Hills-Atoka Gas Pool was discovered by the Fasken Oil and Ranch, Ltd. Howell "29" Com. Well No. 1 (API No. 30-015-21140) located in Unit G of Section 29, Township 20 South, Range 25 East, NMPM, which was completed in the Atoka formation on April 26, 2003. The top of the perforations is at 8,913 feet.

(11) There is need for the creation of a new pool in Eddy County, New Mexico for the production of oil from the Abo formation, bearing the designation of Northeast Siegreist Draw-Abo Pool (Pool Code 96596). The Northeast Siegreist Draw-Abo Pool was discovered by the Mar Oil and Gas Corporation DD 24 Federal Well No. 1 (API No. 30-015-24496) located in Unit P of Section 24, Township 19 South, Range 24 East, NMPM, which was completed in the Abo formation on August 1, 2000. The top of the perforations is at 4,000 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 formation, bearing the designation of Tamano-Delaware Pool (Pool Code 97270). The Tamano-Delaware Pool was discovered by the Mack Energy Corporation Coyote State Well No. 5 (API No. 30-015-32563) located in Unit I of Section 36, Township 17 South, Range 31 East, NMPM, which was completed in the Delaware formation on March 22, 2003. The top of the perforations is at 4,253 feet.

(13) There is need for the abolishment of the Cedar Lake Reef-Strawn Gas Pool in Eddy County, New Mexico in order to correct nomenclature.

(14) There is need for extensions to the Avalon-Morrow Gas Pool, the Benson-Delaware Pool, the East Catclaw Draw-Delaware Pool, the Cedar Canyon-Bone Spring Pool, the North Cedar Lake-Morrow Gas Pool, the Cemetery-Morrow Gas Pool, the Southeast Crow Flats-Morrow Gas Pool, the Diamond Mound-Morrow Gas Pool, the Little Box Canyon-Morrow Gas Pool, the West Lost Tank-Delaware Pool, the Loving-Delaware Pool, the Nash Draw-Delaware Pool, the Northeast Red Lake-Glorieta-Yeso Pool, the Runyan Ranch-Morrow Gas Pool, the Sand Tank-Morrow Gas Pool, the Northeast Sheep Draw-Strawn Gas Pool, the North Shugart-Bone Spring Pool, the Shugart-Strawn Pool, the North Turkey Track-Morrow Gas Pool, and the Southwest Willow Lake-Delaware Pool, all in Eddy County, New

Mexico; and the Broke Tank Lake-Atoka Gas Pool, the North Foor Ranch-Pre-Permian Gas Pool, the Foor Ranch-Wolfcamp Gas Pool, and the Pecos Slope-Pennsylvanian Pool, all in Chaves County, New Mexico.

(15) The effective date of this order and all creations, abolishments, and extensions included herein should be August 1, 2003.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico classified as an oil pool for Wolfcamp production is hereby created and designated as the North Canyon-Wolfcamp Pool (Pool Code 96478), consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 24: SE/4

(b) A new pool in Eddy County, New Mexico classified as a gas pool for Upper Pennsylvanian production is hereby created and designated as the Cass Ranch-Upper Pennsylvanian Gas Pool (Pool Code 97271), consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM
Section 11: N/2

(c) A new pool in Eddy County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the Dos Hermanos-Atoka Gas Pool (Pool Code 96475), consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 12: E/2

(d) A new pool in Eddy County, New Mexico classified as an oil pool for Bone Spring production is hereby created and designated as the North Hackberry-Bone Spring Pool (Pool Code 97056), consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 6: SE/4

(e) A new pool in Eddy County, New Mexico classified as an oil pool for Wolfcamp production is hereby created and designated as the Hackberry-Wolfcamp Pool (Pool Code 97081), consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 17: SW/4

(f) A new pool in Eddy County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the Jahie Lake-Atoka Gas Pool (Pool Code 97275), consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 2: S/2

(g) A new pool in Chaves County, New Mexico classified as an oil pool for San Andres production is hereby created and designated as the East Race Track-San Andres Pool (Pool Code 97273), consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 19: NE/4

(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 Ross Ranch-Upper Pennsylvanian Gas Pool (Pool Code 96701), consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 26: N/2

(i) A new pool in Eddy County, New Mexico classified as a gas pool for Atoka production is hereby created and designated as the North Seven Rivers Hills-Atoka Gas Pool (Pool Code 97272), consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 29: N/2

(j) A new pool in Eddy County, New Mexico classified as an oil pool for Abo production is hereby created and designated as the Northeast Siegrest Draw-Abo Pool (Pool Code 96596), consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 24: SE/4

(k) A new pool in Eddy County, New Mexico classified as an oil pool for Delaware production is hereby created and designated as the Tamano-Delaware Pool (Pool Code 97270), consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 36: SE/4

(l) The Cedar Lake Reef-Strawn Gas Pool (No Pool Code) in Eddy County, New Mexico consisting of the following described area is hereby abolished:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 25: NW/4

(m) The Avalon-Morrow Gas Pool (**Pool Code 70920**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 22: NW/4

(n) The Benson-Delaware Pool (**Pool Code 97083**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM

Section 1: SE/4

(o) The Broke Tank Lake-Atoka Gas Pool (**Pool Code 97166**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM

Section 26: SE/4

Section 35: E/2

(p) The East Catclaw Draw-Delaware Pool (**Pool Code 10500**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 7: N/2 and SW/4

(q) The Cedar Canyon-Bone Spring Pool (**Pool Code 11520**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 2: NW/4

(r) The North Cedar Lake-Morrow Gas Pool (**Pool Code 74600**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 19: N/2

Section 28: N/2

(s) The Cemetery-Morrow Gas Pool (**Pool Code 74640**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 33: S/2

(t) The Southeast Crow Flats-Morrow Gas Pool (**Pool Code** 96840) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH. RANGE 28 EAST. NMPM
Section 4: W/2

(u) The Diamond Mound-Morrow Gas Pool (**Pool Code** 76079) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH. RANGE 28 EAST. NMPM
Section 2: SE/4

(v) The North Foor Ranch-Pre-Permian Gas Pool (**Pool Code** 97094) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 8 SOUTH. RANGE 26 EAST. NMPM
Section 4: S/2

(w) The Foor Ranch-Wolfcamp Gas Pool (**Pool Code** 76750) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH. RANGE 26 EAST. NMPM
Section 6: N/2

(x) The Little Box Canyon-Morrow Gas Pool (**Pool Code** 80240) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH. RANGE 21 EAST. NMPM
Section 35: S/2

(y) The West Lost Tank-Delaware Pool (**Pool Code** 96582) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH. RANGE 31 EAST. NMPM
Section 3: SE/4

(z) The Loving-Delaware Pool (**Pool Code** 40360) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH. RANGE 27 EAST. NMPM
Section 11: N/2
Section 12: NW/4

(aa) The Nash Draw-Delaware Pool (**Pool Code** 47545) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH. RANGE 30 EAST. NMPM

Section 5: SW/4

Section 7: SE/4

(bb) The Pecos Slope-Pennsylvanian Pool (**Pool Code** 97189) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 6 SOUTH. RANGE 25 EAST. NMPM

Section 27: W/2 and SE/4

(cc) The Northeast Red Lake-Glorieta-Yeso Pool (**Pool Code** 96836) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH. RANGE 28 EAST. NMPM

Section 31: NW/4

TOWNSHIP 18 SOUTH. RANGE 27 EAST. NMPM

Section 1: N/2

(dd) The Runyan Ranch-Morrow Gas Pool (**Pool Code** 84350) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH. RANGE 23 EAST. NMPM

Section 8: E/2

(ee) The Sand Tank-Morrow Gas Pool (**Pool Code** 84872) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH. RANGE 30 EAST. NMPM

Section 18: W/2

(ff) The Northeast Sheep Draw-Strawn Gas Pool (**Pool Code** 85205) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH. RANGE 26 EAST. NMPM

Section 20: S/2

(gg) The North Shugart-Bone Spring Pool (**Pool Code** 56405) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH. RANGE 31 EAST. NMPM

Section 29: W/2

(hh) The Shugart-Strawn Pool (**Pool Code** 97239) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH. RANGE 31 EAST. NMPM

Section 5: SW/4

(ii) The North Turkey Track-Morrow Gas Pool (Pool Code 86500) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH. RANGE 28 EAST. NMPM

Section 3: W/2

(jj) The Southwest Willow Lake-Delaware Pool (Pool Code 96855) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 25 SOUTH. RANGE 28 EAST. NMPM

Section 4: SE/4

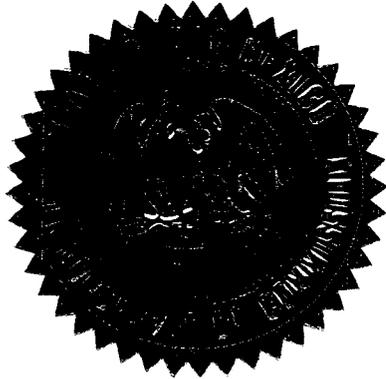
Section 9: NE/4

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that 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 that 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, abolishments, and extensions included herein shall be August 1, 2003.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director