

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. 11044
Order No. R-10159

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 23, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 26th day of July, 1994, 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 oil from the Bone Spring formation, said pool to bear the designation of Corral Draw-Bone Spring Pool. Said Corral Draw-Bone Spring Pool was discovered by the Pogo Producing Company H. Buck State Well No. 1 located in Unit J of Section 16, Township 24 South, Range 29 East, NMPM. It was completed in the Bone Spring formation on February 10, 1994. The top of the perforations is at 7,608 feet.

(3) 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 Hackberry Hills-Atoka Gas Pool. Said Hackberry Hills-Atoka Gas Pool was discovered by the Mewbourne Oil Company Federal N Well No. 1 located in Unit M of Section 6, Township 22 South, Range 26 East, NMPM. It was completed in the Atoka formation on February 3, 1994. The top of the perforations is at 10,264 feet.

(4) There is need for certain extensions to the West Atoka-Morrow Gas Pool, the East Avalon-Bone Spring Pool, the North Black River-Atoka Gas Pool, the South Burton-Yates Gas Pool, the Burton Flat-Atoka Gas Pool, the South Carlsbad-Atoka Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the South Golden Lane-Delaware Pool, the Happy Valley-Strawn Gas Pool, the Indian Basin-Upper Pennsylvanian Associated Pool, the Ingle Wells-Delaware Pool, the Los Medanos-Delaware Pool, the Malaga-Bone Spring Pool, the Old Millman Ranch-Bone Spring Associated Pool, the South Sand Dunes-Delaware Pool, and the Willow Lake-Delaware Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 16: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 6: W/2

(c) The West Atoka-Morrow 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 34: E/2

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 11: SW/4

(e) The North Black River-Atoka 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 25: S/2
Section 26: SE/4

(f) The South Burton-Yates Gas 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 21: SE/4

(g) The Burton Flat-Atoka Gas 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 27: S/2

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

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 16: S/2
Section 21: N/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 29: SE/4

(j) 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 16: SE/4

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(k) The Happy Valley-Strawn Gas 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 34: W/2

(l) The Indian Basin-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 3: NE/4

(n) 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 8: NE/4
Section 17: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 15: NW/4
Section 16: NE/4

(p) The Old Millman Ranch-Bone Spring Associated 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 3: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 7: NE/4
Section 8: NW/4

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

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
Section 1: NE/4

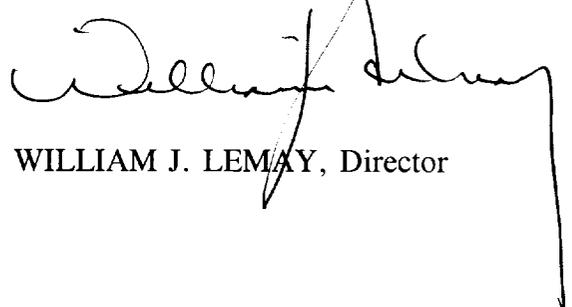
IT IS FURTHER ORDERED THAT:

(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.

(2) The effective date of this order and all creations and extensions included herein shall be August 1, 1994.

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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