

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. 11340
Order No. R-10419

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 July 13, 1995, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 17th day of July, 1995, 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 Devonian formation, said pool to bear the designation of Northeast Echol-Devonian Pool. Said Northeast Echol-Devonian Pool was discovered by the Manzano Oil Corporation SV Sundown State Well No. 1 located in Unit M of Section 14, Township 10 South, Range 37 East, NMPM. It was completed in the Devonian formation on April 26, 1995. The top of the perforations is at 12,140 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Blinebry formation, said pool to bear the designation of East

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Vacuum-Blinebry Pool. Said East Vacuum-Blinebry Pool was discovered by the Marathon Oil Company Warn State A/C 3 Well No. 10 located in Unit H of Section 33, Township 17 South, Range 35 East, NMPM. It was completed in the Blinebry formation on April 23, 1995. The top of the perforations is at 6,684 feet.

(4) There is need for certain extensions to the Little Lucky Lake-Devonian Pool in Chaves County, New Mexico, and the Casey-Strawn Pool, the Cline-Tubb Associated Pool, the East Grama Ridge-Strawn Gas Pool, the South Humble City-Strawn Pool, the Northeast Lea-Delaware Pool, the Lea-Pennsylvanian Gas Pool, the West Lovington-Strawn Pool, the Mesa Verde-Delaware Pool, the Quail Ridge-Morrow Gas Pool, the Red Hills-Bone Spring Pool, the Red Tank-Bone Spring Pool, the West Red Tank-Delaware Pool, the South Sand Dunes-Bone Spring Pool, the North Teague-Drinkard-Abo Pool, the West Triste Draw-Delaware Pool, the North Vacuum-Abo Pool, the Vacuum-Middle Pennsylvanian Pool, the Vacuum-Upper Pennsylvanian Pool, and the North Young-Bone Spring Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
Section 14: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 33: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 35: NE/4

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(d) The Cline-Tubb Associated Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 12: SE/4

(e) The East Grama Ridge-Strawn Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 35: W/2

(f) The South Humble City-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 12: SW/4

(g) The Northeast Lea-Delaware 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 34: SW/4

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 11: NW/4

(h) The Lea-Pennsylvanian Gas 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 4: E/2

(i) The Little Lucky Lake-Devonian Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 32: NW/4

(j) The West Lovington-Strawn Pool in Lea County, New

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Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 33: NE/4 and E/2 SE/4

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 2: Lots 1, 2, 3, 4, 5, 6, 7,
and 8

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

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 8: NW/4

(l) 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 34 EAST, NMPM
Section 18: W/2 and SE/4

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

TOWNSHIP 25 SOUGH, RANGE 34 EAST, NMPM
Section 6: SE/4
Section 18: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 36: NE/4

(o) The West Red Tank-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 35: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 30: NE/4
Section 31: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 8: NW/4 NE/4 and S/2 NE/4

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 31: All

(s) The North Vacuum-Abo 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 30: E/2 SW/4

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

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 24: E/2
Section 25: NE/4

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 30: W/2
Section 31: N/2

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

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TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 30: SW/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 7: SW/4

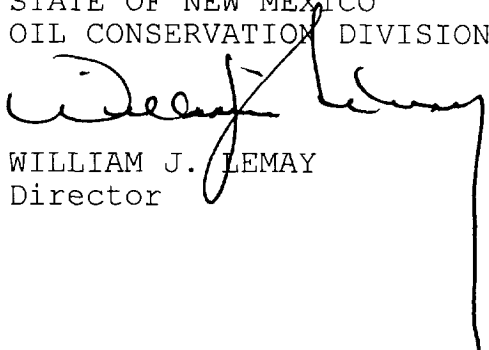
IT IS FURTHER ORDERED THAT:

(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 August 1, 1995.

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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