

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. 11664
Order No. R-10713

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 November 21, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 26th day of November, 1996, 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 Strawn formation, said pool to bear the designation of Empire-Strawn Gas Pool. Said Empire-Strawn Gas Pool was discovered by the Chi Operating Inc. Empire "16" State Com. Well No. 1 located in Unit E of Section 16, Township 18 South, Range 29 East, NMPM. It was completed in the Strawn formation on April 18, 1996. The top of the perforations is at 10,087 feet.

(3) 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 Herradura Bend-Bone Spring Pool. Said Herradura Bend-Bone Spring Pool was discovered by the Ray Westall River Bend Well No. 1 located in Unit G of Section 25, Township 22 South, Range 27 East, NMPM. It was completed in the Bone Spring formation on April 26, 1996. The top of the perforations is at 7,674 feet.

(4) 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 East Illinois Camp-Bone Spring Pool. Said East Illinois Camp-Bone Spring Pool was discovered by the Harvey E. Yates Company Travis State Well No. 1 located in Unit K of Section 13, Township 18 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on February 23, 1996. The top of the perforations is at 6,202 feet.

(5) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of Northeast Long Arroyo-Devonian Pool. Said Northeast Long Arroyo-Devonian Pool was discovered by the Marbob Energy Corporation Ramos Fee Well No. 1 located in Unit G of Section 33, Township 12 South, Range 28 East, NMPM. It was completed in the Devonian formation on September 9, 1996. The top of the perforations is at 8,169 feet.

(6) There is need for certain extensions to the Northeast Chisum-Devonian Pool in Chaves County, New Mexico, and the Dublin Ranch-Morrow Gas Pool, the Empire-Atoka Gas Pool, the Happy Valley-Strawn Gas Pool, the North Illinois Camp-Morrow Gas Pool, the Ingle Wells-Delaware Pool, the South Los Medanos-Wolfcamp Pool, the East Loving-Brushy Canyon Pool, the Millman-Wolfcamp Gas Pool, the East Pierce Crossing-Bone Spring Pool, the Sand Tank-Morrow Gas Pool, the Santo Nino-Bone Spring Pool, the South Sulphate Draw-Delaware Pool, the Winchester-Morrow Gas Pool, and the Winchester-Wolfcamp Gas Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 16: W/2

Section 17: N/2

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

Case No. 11664
Order No. R-10713

-3-

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 25: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 13: SW/4

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

TOWNSHIP 12 SOUTH, RANGE 28 EAST, NMPM
Section 33: NE/4

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

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM
Section 4: E/2
Section 9: NE/4

(f) The Dublin Ranch-Morrow Gas 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 20: All

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 23: W/2

(h) 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 32: All

Case No. 11664
Order No. R-10713

-4-

(i) 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 18 SOUTH, RANGE 28 EAST, NMPM

Section 5: S/2

Section 8: N/2

(j) 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 24: SE/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 2: SE/4

(k) The South Los Medanos-Wolfcamp 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 6: NE/4

(l) The East Loving-Brushy Canyon 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 27: W/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 14: W/2

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 14: W/2

(o) The Sand Tank-Morrow Gas Pool in Eddy County, New Mexico, as

Case No. 11664
Order No. R-10713
-5-

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 12: N/2

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

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 19 SE/4

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

TOWNSHIP 25 SOUTH, RANGE 27 EAST, NMPM
Section 3: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 26: N/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 33: S/2
Section 34: 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

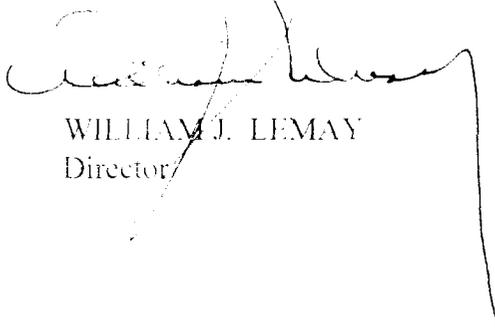
Case No. 11664
Order No. R-10713
-6-

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 December 1, 1996.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

SEAL

fd