

Entered December 22, 1970

A.P.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4472
Order No. R-4080

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING, CONTRACTING, AND EXTENDING
CERTAIN POOLS IN CHAVES, EDDY, LEA, AND
ROOSEVELT COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on December 16, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of December, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That there is need for the creation of a new oil pool in Roosevelt County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Todd-Wolfcamp Pool. Further, that the discovery well for said pool, the Texaco Inc. L. Harris Federal Well No. 1, located in Unit I of Section 22, Township 7 South, Range 35 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 38,025 barrels to be assigned over a two-year period. Said discovery well was completed in the Wolfcamp formation on October 20, 1970. The top of the perforations is at 7605 feet.

(3) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the

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Bone Spring formation, said pool to bear the designation of Black River-Bone Spring Gas Pool. Said Black River-Bone Spring Gas Pool was discovered by the Pennzoil United, Inc., O'Neill Federal Well No. 1, located in Unit L of Section 11, Township 24 South, Range 26 East, NMPM. It was completed in the Bone Spring formation on August 6, 1970. The top of the perforations is at 5325 feet.

(4) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Yeso formation, said pool to bear the designation of Indian Basin-Yeso Pool. Said Indian Basin-Yeso Pool was discovered by the Marathon Oil Company Indian Basin E Well No. 2, located in Unit K of Section 27, Township 21 South, Range 23 East, NMPM. It was completed in the Yeso formation on August 6, 1970. The top of the perforations is at 2333 feet.

(5) That the proposed creation of a new pool in Section 4, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico, for the production of oil from the Permo-Pennsylvanian formation should be dismissed pending further study.

(6) That there is need for the contraction of the Square Lake Pool in Eddy County, New Mexico, by the deletion of certain acreage in order that said deleted acreage may be placed in the Grayburg Jackson Pool to facilitate a proposed waterflood.

(7) That there is need for certain extensions to the Atoka-Pennsylvanian Gas Pool, the South Carlsbad-Morrow Gas Pool, and the Grayburg Jackson Pool, all in Eddy County, New Mexico, the South McCormack-Silurian Pool and the Northwest Vacuum-Wolfcamp Pool, both in Lea County, New Mexico, the Chaveroo-San Andres Pool and the South Prairie-Cisco Pool, both in Roosevelt County, New Mexico. Further, that the proposed extension to the Buffalo Valley-Pennsylvanian Gas Pool and the Double L-Queen Pool, both in Chaves County, New Mexico, should be dismissed.

IT IS THEREFORE ORDERED:

(a) That a new pool in Roosevelt County, New Mexico, classified as an oil pool for Wolfcamp production, is hereby created and designated as the Todd-Wolfcamp Pool, consisting of the following-described area:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Section 22: NE/4 SE/4

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That the discovery well for said pool, the Texaco Inc. L. Harris Federal Well No. 1, located in Unit I of Section 22, Township 7 South, Range 35 East, NMPM, is hereby authorized an oil discovery allowable of 38,025 barrels to be assigned to said well at the rate of 52 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

(b) That a new pool in Eddy County, New Mexico, classified as a gas pool for Bone Spring production, is hereby created and designated as the Black River-Bone Spring Gas Pool, consisting of the following-described area:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 11: SW/4

(c) That a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production, is hereby created and designated as the Indian Basin-Yeso Pool, consisting of the following-described area:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM
Section 27: NE/4 SW/4

(d) That the proposed creation of a new pool in Lea County, New Mexico, classified as an oil pool for Permo-Pennsylvanian production and designated as the East Morton Permo-Pennsylvanian Pool, consisting of the following-described area:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 4: NE/4

is hereby dismissed.

(e) That the Square Lake Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following-described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: N/2

(f) That the Grayburg Jackson 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 12: SE/4 SE/4
Section 13: N/2

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 19: W/2

(h) That the proposed extension of the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 6: W/2

is hereby dismissed.

(i) That the South Carlsbad-Morrow 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 11: All

(j) That the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 23: SW/4

(k) That the proposed extension of the Double L-Queen Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
Section 25: SW/4 SE/4

is hereby dismissed.

(l) That the South McCormack-Silurian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 21: NE/4

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(m) That the South Prairie-Cisco Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 20: S/2 SW/4

(n) That the Northwest Vacuum-Wolfcamp 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 5: NW/4
Section 8: NW/4

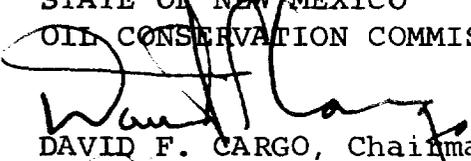
IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, 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 Commission. 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 Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

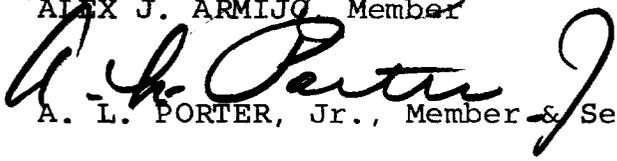
(2) That the effective date of this order and all creations, contractions, and extensions included herein shall be January 1, 1971.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary

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