

Entered March 23, 1971

D. S. 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. 4513
Order No. R-4119

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN
ORDER CREATING, ABOLISHING, AND EXTENDING
VERTICAL AND HORIZONTAL LIMITS OF 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 a.m. on March 17, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23rd day of March, 1971, 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 Lea County, New Mexico, for the production of oil from the Pennsylvanian formation, said pool to bear the designation of South Buffalo-Pennsylvanian Pool. Said South Buffalo-Pennsylvanian Pool was discovered by the King Resources Company Kimo Sabe Well No. 1, located in Unit J of Section 16, Township 19 South, Range 33 East, NMPM. It was completed in the Pennsylvanian formation on May 29, 1970. The top of the perforations is at 11,255 feet.
- (3) That the proposed creation of a new pool in Section 19, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico, for the production of gas from the Atoka formation should be dismissed.

(4) That there is need for the creation of a new gas pool in Chaves County, New Mexico, for the production of gas from the Cisco formation, said pool to bear the designation of Haystack-Cisco Gas Pool. Said Haystack-Cisco Gas Pool was discovered by the Shenandoah Oil Corporation Federal I Well No. 1, located in Unit K of Section 21, Township 6 South, Range 27 East, NMPM. It was completed in the Cisco formation on September 25, 1970. The top of the perforations is at 5846 feet.

(5) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of H G-Morrow Gas Pool. Said H G-Morrow Gas Pool was discovered by the H. L. Brown, Jr. Yates Federal Well No. 1, located in Unit J of Section 30, Township 19 South, Range 30 East, NMPM. It was completed in the Morrow formation on October 11, 1970. The top of the perforations is at 11,874 feet.

(6) That there is need for the creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Pennsylvanian formation, said pool to bear the designation of Kemnitz-Morrow Gas Pool. Said Kemnitz-Morrow Gas Pool was discovered by the Elk Oil Company Diamond State Well No. 1, located in Unit J of Section 16, Township 16 South, Range 34 East, NMPM. It was completed in the Pennsylvanian formation on December 1, 1969. The top of the perforations is at 12,756 feet.

(7) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Lower Pennsylvanian formation, said pool to bear the designation of Sand Dunes-Lower Pennsylvanian Gas Pool. Said Sand Dunes-Lower Pennsylvanian Gas Pool was discovered by the Texas American Oil Company Todd 14 Federal Well No. 1, located in Unit K of Section 14, Township 23 South, Range 31 East, NMPM. It was completed in the Lower Pennsylvanian formation on December 9, 1970, with special vertical limits defined as being from 14,030 feet to 15,220 feet as on the log of the discovery well. The top of the perforations is at 14,051 feet.

(8) That there is need for the creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Drinkard formation, said pool to bear the designation of East Skaggs-Drinkard Gas Pool. Said East Skaggs-Drinkard Gas

-3-

CASE NO. 4513
Order No. R-4119

Pool was discovered by the Continental Oil Company Semu Burger Well No. 21, located in Unit O of Section 19, Township 20 South, Range 38 East, NMPM. It was completed in the Drinkard formation on December 23, 1969. The top of the perforations is at 6761 feet.

(9) That there is need for the consolidation of the Cline-Abo Pool and the Cline-Drinkard Pool both in Lea County, New Mexico, as a measure to affect economical improvement. Said consolidation to be accomplished by the abolishment of the Cline-Abo Pool and the extension of the vertical limits of the Cline-Drinkard Pool to include the Abo formation and to redesignate said pool as the Cline Drinkard-Abo Pool.

(10) That there is need for certain extensions to the Double L-Queen Pool in Chaves County, New Mexico, the South Carlsbad-Morrow Gas Pool, the South Carlsbad-Strawn Gas Pool, and the Shugart Pool, all in Eddy County, New Mexico, the Baum-Upper Pennsylvanian Pool, the Hobbs-Drinkard Pool, and the Tres Papalotes-Pennsylvanian Pool, all in Lea County, New Mexico, the Bluitt-San Andres Associated Pool and the Todd-Wolfcamp Pool, both in Roosevelt County, New Mexico, and the Vada-Pennsylvanian Pool in Lea and Roosevelt Counties, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
SECTION 16: SE/4

(b) That the proposed creation of a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Grandi Ranch-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
SECTION 19: S/2

is hereby dismissed.

-4-

CASE NO. 4513
Order No. R-4119

(c) That a new pool in Chaves County, New Mexico, classified as a gas pool for Cisco production, is hereby created and designated as the Haystack-Cisco Gas Pool, consisting of the following described area:

TOWNSHIP 6 SOUTH, RANGE 27 EAST, NMPM
SECTION 21: All

(d) That a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production, is hereby created and designated as the H G-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM
SECTION 30: E/2

(e) That a new pool in Lea County, New Mexico, classified as a gas pool for Pennsylvanian production, is hereby created and designated as the Kemnitz-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
SECTION 16: E/2

(f) That a new pool in Eddy County, New Mexico, classified as a gas pool for Lower Pennsylvanian production, is hereby created and designated as the Sand Dunes-Lower Pennsylvanian Gas Pool with special vertical limits defined as being from 14,030 feet to 15,220 feet as in Texas American Oil Company's Todd 14 Federal No. 1, located in Unit K of Section 14, Township 23 South, Range 31 East, NMPM, and consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
SECTION 14: W/2

(g) That a new pool in Lea County, New Mexico, classified as a gas pool for Drinkard production, is hereby created and designated as the East Skaggs-Drinkard Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
SECTION 19: SE/4

-5-

CASE NO. 4513
Order No. R-4119

(h) That the Cline-Abo Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
SECTION 11: SE/4

is hereby abolished.

(i) That the vertical limits of the Cline-Drinkard Pool in Lea County, New Mexico, are hereby extended to include the Abo formation and redesignate said pool as the Cline Drinkard-Abo Pool.

(j) That the Baum-Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
SECTION 30: SW/4

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

TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM
SECTION 20: NE/4

(l) 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 22 SOUTH, RANGE 27 EAST, NMPM
SECTION 31: E/2
SECTION 32: W/2

(m) That the South Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
SECTION 31: All

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
SECTION 6: N/2

-6-

CASE NO. 4513

Order No. R-4119

(n) That the Double L-Queen Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM

SECTION 24: SW/4 SW/4

SECTION 25: NW/4 and NE/4 SW/4

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM

SECTION 12: SE/4 SE/4

(o) That the Hobbs-Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

SECTION 29: NE/4

(p) That the Shugart Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

SECTION 22: S/2 SE/4

(q) That the Todd-Wolfcamp Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM

SECTION 23: SW/4

SECTION 26: N/2

(r) That the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

SECTION 33: SW/4

(s) That the Vada-Pennsylvanian Pool in Lea and Roosevelt Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM

SECTION 36: SW/4

-7-

CASE No. 4513
Order No. R-4119

(s) (Vada-Pennsylvanian Pool) continued from Page 6

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM

SECTION 3: SW/4

SECTION 5: SE/4

SECTION 10: W/2

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM

SECTION 16: SW/4

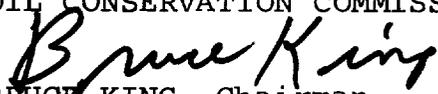
IT IS FURTHER ORDERED:

(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.

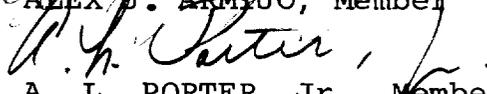
(2) That the effective date of this order and all creations, abolishments, and extensions of vertical and horizontal limits included herein shall be April 1, 1971.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMILLO, Member


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

S E A L

dr/