

Entered August 29, 1973
R.L.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. 5053
Order No. R-4622

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on August 22, 1973, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 29th day of August, 1973, 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 gas pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Burton Flat-Atoka Gas Pool. Said Burton Flat-Atoka Gas Pool was discovered by the Monsanto Company Miller Federal Well No. 1, located in Unit G of Section 3, Township 21 South, Range 27 East, NMPM. It was completed in the Atoka formation on May 1, 1973. The top of the perforations is at 10,658 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 Strawn formation, said pool to bear the designation of Burton Flat-Strawn Gas Pool. Said Burton Flat-Strawn Gas Pool was discovered by the Monsanto Company Burton Flat Deep Unit Well No. 3, located in Unit V of Section 3, Township 21 South, Range 27 East, NMPM. It was completed in the Strawn formation on April 16, 1973. The top of the perforations is at 10,208 feet.

-2-

Case No. 5053
Order No. R-4622

(4) That the proposed creation of a new pool in Section 21, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, for the production of gas from the Canyon formation should be dismissed pending further study.

(5) That the proposed creation of a new pool in Section 34, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico, for the production of gas from the Morrow formation should be dismissed pending further study.

(6) That the proposed creation of a new pool in Section 28, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico, for the production of gas from the Morrow formation should be dismissed pending further study.

(7) That there is need for the contraction of the vertical limits of the Townsend-Pennsylvanian Pool in Lea County, New Mexico, to include only the Cisco formation due to a completion in Pennsylvanian other than the Cisco zone in the immediate area. Said Townsend-Pennsylvanian Pool shall be redesignated the Townsend-Cisco Pool.

(8) That there is need for certain extensions to the Round Tank-Queen Pool in Chaves County, New Mexico, the East Empire Yates-Seven Rivers Pool, the Parrish Ranch-Upper Pennsylvanian Pool, the Penasco Draw-San Andres-Yeso Pool, the Rock Tank-Lower Morrow Gas Pool, the Shugart Pool, and the Winchester-Morrow Gas Pool, all in Eddy County, New Mexico, the Fowler-Devonian Pool, the Hat Mesa-Morrow Gas Pool, and the Lea-San Andres Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 3: Lots 1 through 8

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 3: S/2

(c) That the proposed creation of a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and

-3-
Case No. 5053
Order No. R-4622

designated as the Carlsbad-Canyon Gas Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 21: S/2

is hereby dismissed.

(d) That the proposed creation of a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Happy Valley-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 34: W/2

is hereby dismissed.

(e) That the proposed creation of a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the La Huerta-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 28: S/2

is hereby dismissed.

(f) That the East Empire Yates-Seven Rivers 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 28: NE/4 SE/4

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 10: SE/4

(h) That the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 1: S/2
Section 2: All

Case No. 5053
Order No. R-4622

(i) That the Lea-San Andres 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 24: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 13: E/2 SE/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 18: N/2 S/2 and SE/4 NE/4

(k) That the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 32: W/2

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 12: S/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 5: W/2 NW/4 and NE/4 NW/4
Section 7: W/2

(l) That the Rock Tank-Lower Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 11: E/2, E/2 SW/4, S/2 SE/4 NW/4
and NE/4 SE/4 NW/4

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

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 36: NE/4

(n) 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 30 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: E/2 NE/4

-5-

Case No. 5053
Order No. R-4622

(o) That 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 34: E/2

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 2: N/2

(p) That the vertical limits of the Townsend-Pennsylvanian Pool in Lea County, New Mexico, are hereby contracted to include the Cisco formation only and redesignate said pool the Townsend-Cisco Pool comprising:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: 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.

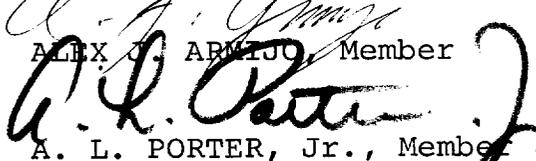
(2) That the effective date of this order and all creations, contractions of vertical limits, and extensions of horizontal limits included herein shall be September 1, 1973.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


ALEX J. ARMILLO, Member


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

S E A L

dr/