Entered October 9, 1974 app.

# 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. 5336 Order No. R-4861

THE APPLICATION OF THE OIL CONSERVATION COMMISSION UPON ITS OWN MOTION FOR AN ORDER CREATING AND EXTENDING 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 October 2, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>9th</u> day of October, 1974, 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:

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

That there is need for the creation of a new gas (2) pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Avalon-Morrow Gas Pool. Said Avalon-Morrow Gas Pool was discovered by the David Fasken El Paso 3 Federal Well No. 1, located in Unit K of Section 3, Township 21 South, Range 26 East, NMPM. It was completed in the Morrow formation on September 11, 1973. The top of the perforations is at 10,708 feet.

That there is need for the creation of a new gas pool (3) in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Avalon-Strawn Gas Pool. Said Avalon-Strawn Gas Pool was discovered by the David Fasken El Paso 3 Federal Well No. 1, located in Unit K of Section 3, Township 21 South, Range 26 East, NMPM. It was completed in the Strawn formation on November 24, 1973. The top of the perforations is at 9847 feet.

(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 Mississippian formation, said pool to bear the designation of Denton Camp-Mississippian Gas Pool. Said Denton Camp-2-Case No. 5336 Order No. R-4861

Mississippian Gas Pool was discovered by The Superior Oil Company Chatten & Muncy Well No. 1, located in Unit O of Section 18, Township 6 South, Range 28 East, NMPM. It was completed in the Mississippian formation on December 13, 1973. The top of the perforations is at 6436 feet.

(5) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of LaHuerta-Wolfcamp Pool. Said LaHuerta-Wolfcamp Pool was discovered by the Cities Service Oil Company Simpson A Well No. 1, located in Unit H of Section 29, Township 21 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on June 19, 1974. The top of the perforations is at 9007 feet.

(6) That there is need for certain extensions to the Double L-Queen Associated Pool and the Sams Ranch Grayburg-San Andres Gas Pool, both in Chaves County, New Mexico, the Atoka-Pennsylvanian Gas Pool, the Boyd-Morrow Gas Pool, the Burton Flat-Morrow Gas Pool, the Cabin Lake-Morrow Gas Pool, the Catclaw Draw-Morrow Gas Pool, the Cemetary-Morrow Gas Pool, the Eagle Creek-San Andres Pool, the Golden Lane-Morrow Gas Pool, the Golden Lane-Strawn Gas Pool, the Los Medanos-Atoka Gas Pool, the McMillan Seven Rivers-Queen Pool, the Square Lake Grayburg-San Andres Pool, and the Winchester-Morrow Gas Pool, all in Eddy County, New Mexico, the Antelope Ridge-Morrow Gas Pool, the North Bagley-Pennsylvanian Pool, the South Bell Lake-Morrow Gas Pool, the Blinebry Oil and Gas Pool, the South Flying "M"-Pennsylvanian Pool, the Monument-Paddock Pool, the South Salt Lake-Morrow Gas Pool, and the Vada-Pennsylvanian 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 Morrow production, is hereby created and designated as the Avalon-Morrow Gas Pool, consisting of the following described area:

> TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM Section 33: S/2 TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM Section 3: Lots 1 through 16 Sections 4 and 5: All Sections 8 and 9: All Section 16: All Section 21: All

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(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 Avalon-Strawn Gas Pool, consisting of the following described area:

> TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM Section 3: Lots 1 through 16

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

> TOWNSHIP 6 SOUTH, RANGE 28 EAST, NMPM Section 18: S/2 Section 19: E/2

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

> TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM Section 29: NE/4

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

> TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM Section 21: S/2 Section 28: E/2

(f) 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 10: E/2

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

> TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM Section 31: SW/4 TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM Section 6: NW/4

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

> TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM Section 5: NW/4 Section 6: N/2

(i) That the Blinebry Oil and Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 35: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM Section 16: N/2

(k) That the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM Section 9: S/2 Section 14: N/2

(1) That the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM Section 1: S/2

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

> TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM Section 27: All Section 34: All TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM Section 3: All

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM Section 5: S/2

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

> TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM Section 2: All

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

> TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM Section 13: E/2 SW/4

(q) That the South Flying "M"-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM Section 14: SE/4 Section 23: E/2

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

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM Section 31: E/2

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM Section 5: Lots 1, 2, 7, 8, 9, 10, 15 and 16

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

> TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM Section 29: S/2 Section 31: E/2 Section 32: W/2

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

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM Section 1: N/2

(u) That the McMillan Seven Rivers-Queen Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM Section 1: SE/4 NE/4 Section 12: SE/4 NE/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM Section 15: SW/4 Section 22: NW/4

(w) That the South Salt Lake-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 4: Lots 3, 4, 5 and 6

(x) That the Sams Ranch Grayburg-San Andres Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM Section 10: SE/4 Section 11: S/2 Section 14: N/2 and SE/4 Section 15: NE/4

(y) That the North Shoe Bar-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM Section 13: SW/4

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(z) That the Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM Section 9: E/2 NW/4

(aa) That the North Vacuum-Morrow Gas 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 7: W/2

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

## TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM Section 2: NW/4

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

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

## 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 and extensions included herein shall be November 1, 1974.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION 14 rund 5 × V. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member 2 ( artin N. L A. L. PORTER, Jr., Member & Secretary

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