

Entered August 17, 1976

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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. 5730
Order No. R-5252

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 August 4, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 17th day of August, 1976, 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 Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Mid-Bell Lake-Morrow Gas Pool. Said Mid-Bell Lake-Morrow Gas Pool was discovered by the Continental Oil Company Bradley "A" Well No. 1 located in Unit F of Section 19, Township 23 South, Range 34 East, NMPM. It was completed in the Morrow formation on May 12, 1976. The top of the perforations is at 12,965 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 Morrow formation, said pool to bear the designation of East Burton Flat-Morrow Gas Pool. Said East Burton Flat-Morrow Gas Pool was discovered by the Texas Oil and Gas Corporation Superior Federal Well No. 1 located in Unit G of Section 8, Township 20 South, Range 29 East, NMPM. It was completed in the Morrow formation on June 12, 1973. The top of the perforations is at 11,625 feet.
- (4) 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 East

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Burton Flat-Strawn Gas Pool. Said East Burton Flat-Strawn Gas Pool was discovered by the Texas Oil and Gas Corporation Yates Federal Well No. 1 located in Unit N of Section 8, Township 20 South, Range 29 East, NMPM. It was completed in the Strawn formation on October 1, 1973. The top of the perforations is at 10,456 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 Wolfcamp formation, said pool to bear the designation of East Burton Flat-Wolfcamp Gas Pool. Said East Burton Flat-Wolfcamp Gas Pool was discovered by the Texas Oil and Gas Corporation Yates A Federal Well No. 1 located in Unit F of Section 21, Township 20 South, Range 29 East, NMPM. It was completed in the Wolfcamp formation on January 30, 1975. The top of the perforations is at 9,402 feet.

(6) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Byrnes Tank-Delaware Pool. Said Byrnes Tank-Delaware Pool was discovered by the Hanagan Petroleum Corporation Newman Well No. 1 located in Unit O of Section 7, Township 23 South, Range 26 East, NMPM. It was completed in the Delaware formation on July 15, 1975. The top of the perforations is at 4,781 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 Wolfcamp formation, said pool to bear the designation of Catclaw Draw-Wolfcamp Gas Pool. Said Catclaw Draw-Wolfcamp Gas Pool was discovered by the Hanagan Petroleum Corporation North Fork Well No. 1 located in Unit C of Section 2, Township 22 South, Range 25 East, NMPM. It was completed in the Wolfcamp formation on May 3, 1976. The top of the perforations is at 8,660 feet.

(8) 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 Horseshoe Bend-Morrow Gas Pool. Said Horseshoe Bend-Morrow Gas Pool was discovered by the Hanagan Petroleum Corporation Horseshoe Bend Well No. 1 located in Unit K of Section 34, Township 23 South, Range 25 East, NMPM. It was completed in the Morrow formation on February 28, 1976. The top of the perforations is at 10,879 feet.

(9) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Indian Flats-Delaware Pool. Said Indian Flats-Delaware Pool was discovered by the Perry R. Bass Big Eddy Unit Well No. 47 located in Unit F of Section 35, Township 21 South, Range 28 East, NMPM. It was completed in the Delaware formation on April 10, 1976. The top of the perforations is at 3,548 feet.

(10) 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 Laguna Grande-Morrow Gas Pool. Said Laguna Grande-Morrow Gas Pool was discovered by the Exxon Corporation Laguna Grande Unit Well No. 1 located in Unit I of Section 28, Township 23 South, Range 29 East, NMPM. It was completed in the Morrow formation on March 27, 1976. The top of the perforations is at 13,107 feet.

(11) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Paddock formation, said pool to bear the designation of Leamex-Paddock Pool. Said Leamex-Paddock Pool was discovered by the Kirby Petroleum Company State Well No. 2 located in Unit O of Section 22, Township 17 South, Range 33 East, NMPM. It was completed in the Paddock formation on May 24, 1976. The top of the perforations is at 6,038 feet.

(12) 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 Nash Draw-Atoka Gas Pool. Said Nash Draw-Atoka Gas Pool was discovered by the Mesa Petroleum Company Nash Unit Well No. 2 located in Unit F of Section 18, Township 23 South, Range 30 East, NMPM. It was completed in the Atoka formation on April 21, 1976. The top of the perforations is at 12,432 feet.

(13) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Bone Springs formation, said pool to bear the designation of Rock Lake-Bone Springs Pool. Said Rock Lake-Bone Springs Pool was discovered by the Amoco Production Company Rock Lake Unit Well No. 1 located in Unit L of Section 28, Township 22 South, Range 35 East, NMPM. It was completed in the Bone Springs formation on December 1, 1975. The top of the perforations is at 8,720 feet.

(14) That there is need for the creation of a new gas pool in Chaves County, New Mexico, for the production of gas from the Pennsylvanian formation, said pool to bear the designation of Tom Tom-Pennsylvanian Gas Pool. Said Tom Tom-Pennsylvanian Gas Pool was discovered by the Franklin, Aston & Fair, Ltd. Union Federal Well No. 1 located in Unit D of Section 1, Township 8 South, Range 31 East, NMPM. It was completed in the Pennsylvanian formation on December 19, 1975. The top of the perforations is at 9,542 feet.

(15) 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 North Winchester-Morrow Gas Pool. Said North Winchester-Morrow Gas Pool was discovered by the Depco Inc. DHY State Well No. 1

located in Unit F of Section 23, Township 19 South, Range 28 East, NMPM. It was completed in the Morrow formation on February 13, 1976. The top of the perforations is at 11,025 feet.

(16) 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 North Winchester-Wolfcamp Pool. Said North Winchester-Wolfcamp Pool was discovered by the Depco Inc. DHY State Well No. 1 located in Unit F of Section 23, Township 19 South, Range 28 East, NMPM. It was completed in the Wolfcamp formation on February 13, 1976. The top of the perforations is at 8,866 feet.

(17) That there is need for certain extensions to the Chaveroo-San Andres Pool, the South Lucky Lake-Queen Pool, the Sulimar-San Andres Pool, and the Vest Ranch-Queen Associated Pool, all in Chaves County, New Mexico, and the Avalon-Morrow Gas Pool, the Cemetery-Morrow Gas Pool, the Indian Draw-Delaware Pool, the Nash Draw-Morrow Gas Pool, and the Parallel-Delaware Pool, all in Eddy County, New Mexico, and the Blinebry Oil and Gas Pool, the Drinkard Pool, the Hat Mesa-Morrow Gas Pool, the Lusk-Morrow Gas Pool, the South Osudo-Morrow Gas Pool, and the Teague-Devonian Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 19: W/2

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 4: W/2
Section 8: All
Section 9: All
Section 16: All
Section 17: All
Section 18: All

(c) That a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production, is hereby created and designated as the East Burton Flat-Strawn Gas Pool, consisting

of the following described area:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 8: S/2

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 21: W/2

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 7: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM
Section 2: N/2

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

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 34: W/2

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 35: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 28: E/2

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 22: SE/4

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

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 18: N/2

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

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 28: SW/4

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

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 1: N/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 23: N/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 23: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 33: N/2

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(q) 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 28: SW/4

(r) That the Cemetery-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 19: All
Section 32: E/2

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

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 5: S/2

(t) That the Drinkard 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 28: NE/4 NW/4

(u) 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 3: S/2

(v) That the Indian Draw-Delaware 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 18: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 9: All

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(x) That the South Lucky Lake-Queen 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 16: SE/4 SW/4
Section 22: E/2 SW/4 and SW/4 SW/4
Section 27: W/2 NW/4

(y) That the Nash Draw-Morrow 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 18: N/2

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

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 15: S/2

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

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM
Section 27: NE/4 NW/4

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

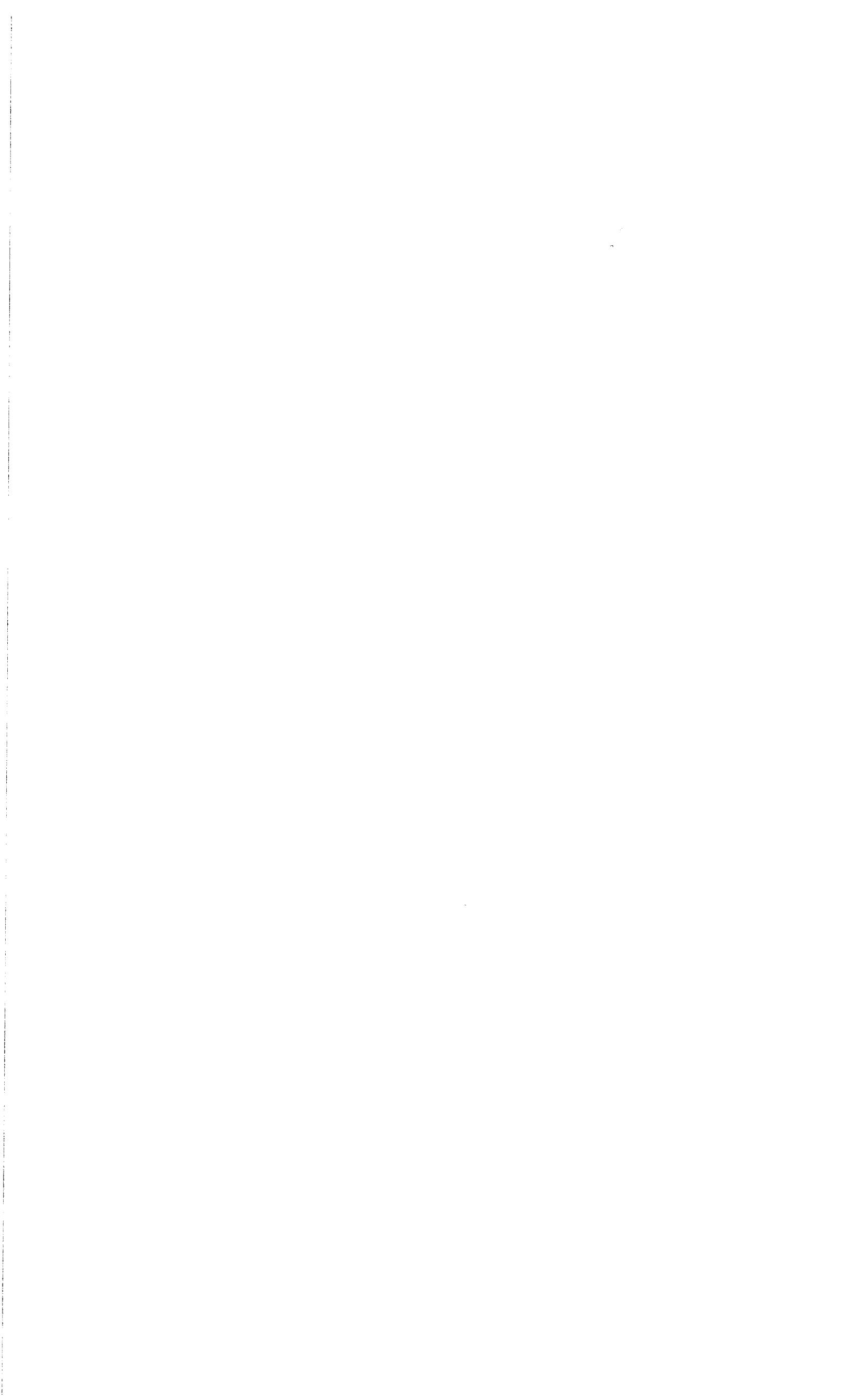
TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 13: SW/4 SE/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 22: SW/4

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

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 9: E/2



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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 Form 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.

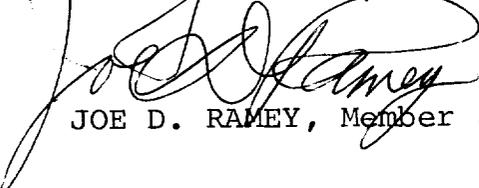
(2) That the effective date of this order and all creations and extensions included herein shall be September 1, 1976.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

S E A L

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