

Entered November 30, 1976
JKR

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. 5814
Order No. R-5334

THE APPLICATION OF THE OIL CONSERVATION
COMMISSION UPON ITS OWN MOTION FOR AN ORDER
CREATING, CONTRACTING VERTICAL LIMITS, AND
EXTENDING VERTICAL AND HORIZONTAL LIMITS OF
CERTAIN POOLS IN 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 November 23, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of November, 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 oil pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Cedar Canyon-Delaware Pool. Said Cedar Canyon-Delaware Pool was discovered by the Skelly Oil Company Cedar Canyon Well No. 1 located in Unit P of Section 9, Township 24 South, Range 29 East, NMPM. It was completed in the Delaware formation on September 3, 1976. The top of the perforations is at 4536 feet.
- (3) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of West Corbin-Delaware Pool. Said West Corbin-Delaware Pool was discovered by the Aztec Oil and Gas Company West Corbin Well No. 2 located in Unit H of Section 18, Township 18 South, Range 33 East, NMPM. It was completed in the Delaware formation on September 10, 1976. The top of the perforations is at 5030 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 Delaware formation, said pool to bear the designation of Elbow Canyon-Delaware Pool. Said Elbow Canyon-Delaware Pool was discovered by the C & K Petroleum, Inc. Allied Chemical Federal Well No. 1 located in Unit E of Section 4, Township 24 South, Range 26 East, NMPM. It was completed in the Delaware formation on January 1, 1976. The top of the perforations is at 1680 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 Atoka formation, said pool to bear the designation of North Grayburg-Atoka Gas Pool. Said North Grayburg-Atoka Gas Pool was discovered by the Depco Inc. Conoco State Com Well No. 1 located in Unit K of Section 15, Township 17 South, Range 29 East, NMPM. It was completed in the Atoka formation on November 2, 1972. The top of the perforations is at 10,308 feet.

(6) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Cisco formation, said pool to bear the designation of Vacuum-Cisco Pool. Said Vacuum-Cisco Pool was discovered by the Southern Union Supply Company Pennzoil State Well No. 1 located in Unit H of Section 18, Township 17 South, Range 34 East, NMPM. It was completed in the Cisco formation on August 9, 1976. The top of the perforations is at 11,095 feet.

(7) That there is need for the contraction of the vertical limits of the Kemnitz-Pennsylvanian Pool in Lea County, New Mexico, to include only the Cisco formation, redesignating said Kemnitz-Pennsylvanian Pool as the West Kemnitz-Cisco Pool and redefining the horizontal limits of said pool to include Phillips Petroleum Company Michel Well No. 1 located in Unit C of Section 13, Township 16 South, Range 33 East, NMPM. It was completed in the Cisco formation on February 16, 1976. The top of the perforations is at 11,207 feet.

(8) That there is need for the extension of the vertical limits of the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, to include the Atoka formation, redesignating said pool as the North Vacuum-Atoka-Morrow Gas Pool, and the extension of the horizontal limits of said North Vacuum-Atoka-Morrow Gas Pool.

(9) That there is need for certain extensions to the Atoka-San Andres Pool, the South Carlsbad-Cherry Canyon Pool, the Eagle Creek-San Andres Pool, the South Empire-Morrow Gas Pool, the Indian Flats-Delaware Pool, the Malaga-Morrow Gas Pool, and the White City-Pennsylvanian Gas Pool, all in Eddy County, New Mexico, and the North Bagley-Pennsylvanian Pool, the Baum-Upper Pennsylvanian Pool, and the Garrett-Drinkard Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 9: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 18: NE/4

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

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

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 15: W/2

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

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 18: NE/4

(f) That the Atoka-San Andres 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 22: SE/4
Section 27: N/2 NW/4
Section 28: S/2 NE/4

(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 12 SOUTH, RANGE 32 EAST, NMPM
Section 1: SE/4

(h) 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 19: SW/4
Section 30: NW/4

(i) That the South Carlsbad-Cherry Canyon 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 20: NE/4 SW/4

(j) 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 14: N/2 NE/4
Section 27: S/2 NE/4

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

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 20: SE/4

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

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 1: N/2

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

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

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 11: W/2

-5-
Case No. 5814
Order No. R-5334

(o) That the vertical limits of the Kemnitz-Pennsylvanian Pool in Lea County, New Mexico, are hereby contracted to include only the Cisco formation and said Kemnitz-Pennsylvanian Pool is hereby redesignated the West Kemnitz-Cisco Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 13: N/2 and SE/4

(p) That the vertical limits of the North Vacuum-Morrow Gas Pool in Lea County, New Mexico, are hereby extended to include the Atoka formation, and said North Vacuum-Morrow Gas Pool is redesignated the North Vacuum-Atoka-Morrow Gas Pool. Also, said North Vacuum-Atoka-Morrow Gas Pool is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 7: E/2
Section 8: W/2

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

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 35: All

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, contractions, and extensions included herein shall be December 1, 1976.

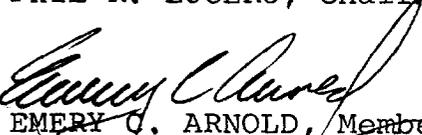
-6-

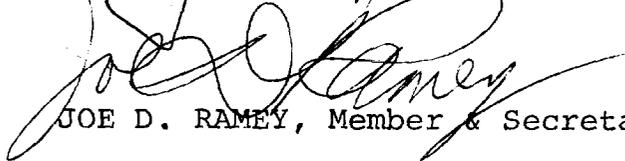
Case No. 5814
Order No. R-5334

DONE at Santa Fe, New Mexico, on the day and year herein-
above 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

jr/