Entered January 4, 19>> JOR

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. 5822 Order No. R-5338

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on December 15, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>4th</u> day of <u>January</u>, <u>1977</u>, 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 Bone Springs formation, said pool to bear the designation of Antelope Ridge-Bone Springs Pool. Said Antelope Ridge-Bone Springs Pool was discovered by The Superior Oil Company State "R" Well No. 1, located in Unit N of Section 25, Township 23 South, Range 34 East, NMPM. It was completed in the Bone Springs formation on October 20, 1976. The top of the perforations is at 10,648 feet.

(3) That there is need for the creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Devonian formation, said pool to bear the designation of North Teague-Devonian Gas Pool. Said North Teague-Devonian Gas Pool will be comprised of the gas productive acreage deleted from the Teague-Devonian Pool, which as a result of a geological study was found to be a separate reservoir. -2-Case No. 5822 Order No. R-5338

(4) That there is need for the contraction of the Teague-Devonian Pool in Lea County, New Mexico, by the deletion of certain acreage, a portion of which will go into the North Teague-Devonian Gas Pool.

(5) That there is need for certain extensions to the Blinebry Oil and Gas Pool, the Flying "M"-San Andres Pool, the South Leonard-Queen Pool, the East Lusk-Bone Springs Pool, the Maljamar-Grayburg-San Andres Pool, the Sawyer-San Andres Gas Pool, and the North Vacuum-Abo Pool, all in Lea County, New Mexico, and the Chaveroo-San Andres Pool and the Tom Tom-San Andres Pool, both in Chaves County, New Mexico.

IT IS THEREFORE ORDERED:

(a) 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 Antelope Ridge-Bone Springs Pool, consisting of the following described area:

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TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM Section 25: SW/4
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(b) That a new pool in Lea County, New Mexico, classified as a gas pool, for Devonian production, is hereby created and designated as the North Teague-Devonian Gas Pool, consisting of the following described area:

> TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM Section 22: SW/4 Section 27: N/2 and N/2 S/2

(c) That the Teague-Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM Section 22: SW/4 Section 26: All Section 27: N/2 and N/2 S/2

(d) 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 21 SOUTH, RANGE 37 EAST, NMPM Section 18: NE/4

-3-Case No. 5822 Order No. R-5338

(e) 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 17: SW/4

(f) That the Flying "M"-San Andres 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 20: SW/4

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

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM Section 13: SE/4

(h) That the East Lusk-Bone Springs 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 15: SW/4

(i) That the Maljamar-Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM Section 14: NE/4

(j) That the Sawyer-San Andres Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 10 SOUTH, RANGE 38 EAST, NMPM Section 6: W/2

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

> TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM Section 2: NE/4

-4-Case No. 5822 Order No. R-5338

(1) That the North Vacuum-Abo 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: NE/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, and extensions included herein shall be January 1, 1977.

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

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PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member RAMEY, Member & Secretary JOE D.

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