

Entered June 29, 1978  
JLR

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6249  
Order No. R-5754

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 7, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 29th day of June, 1978, the Division Director, 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 Division 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 Mississippian formation, said pool to bear the designation of Bar-U Mississippian Pool. Said Bar-U Mississippian Pool was discovered by the Charles F. Harding State "3" Well No. 1 located in Unit G of Section 3, Township 9 South, Range 32 East, NMPM. It was completed in the Mississippian formation on January 24, 1978. The top of the perforations is at 10,703 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 West Hoag-Strawn Gas Pool. Said West Hoag-Strawn Gas Pool was discovered by the Yates Petroleum Corporation CC Tank Unit Well No. 1 located in Unit F of Section 28, Township 19 South, Range 24 East, NMPM. It was completed in the Strawn formation on June 3, 1976. The top of the perforations is at 8,101 feet.

(4) That there is need for the creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Ellenburger formation, said pool to bear the designation Langley-Allenburger Gas Pool. Said Langley-Allenburger Gas Pool was discovered by the Atlantic Richfield Company Langley Deep Well No. 1 located in Unit C of Section 28, Township 22 South, Range 36 East, NMPM. It was completed in the Ellenburger formation on April 7, 1978. The top of the perforations is at 15,329 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 Cisco formation, said pool to bear the designation of Loco Hills-Cisco Pool. Said Loco Hills-Cisco Pool was discovered by the Depco, Inc. Welch Federal Well No. 1 located in Unit G of Section 8, Township 18 South, Range 29 East, NMPM. It was completed in the Cisco formation on January 31, 1978. The top of the perforations is at 9,120 feet.

(6) That there is need for the creation of a new gas pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Maljamar-Atoka Gas Pool. Said Maljamar-Atoka Gas Pool was discovered by the Western Oil Producers, Inc. Amoco State Well No. 1 located in Unit M of Section 28, Township 16 South, Range 33 East, NMPM. It was completed in the Atoka formation on February 28, 1977. The top of the perforations is at 12,997 feet.

(7) 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 Maljamar-Cisco Pool. This pool is to take in acreage producing from the Cisco formation from the abolished Maljamar-Pennsylvanian Pool.

(8) 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 Maljamar-Morrow Gas Pool. Said Maljamar-Morrow Gas Pool was discovered by the Western Oil Producers, Inc. Union State Well No. 2 located in Unit O of Section 29, Township 16 South, Range 33 East, NMPM. It was completed in the Morrow formation on April 12, 1977. The top of the perforations is at 13,652 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 Grayburg formation, said pool to bear the designation of North McMillan-Grayburg Pool. Said North McMillan-Grayburg Pool was discovered by the Yates Petroleum Corporation Federal HF Well No. 1 located in Unit A of Section 10, Township 19 South, Range 27 East, NMPM. It was completed in the Grayburg formation on April 6, 1977. The top of the perforations is at 1,629 feet.

(10) That there is need for the abolishment of the Maljamar-Pennsylvanian Pool in Lea County, New Mexico, and all acreage to go into the newly created Maljamar-Cisco Pool.

(11) That the proposed extension of the Teague-Devonian Pool in Lea County, New Mexico, should be dismissed due to an error in advertising.

(12) That there is need for certain extensions to the Buffalo Valley-Pennsylvanian Gas Pool, the Linda-San Andres Pool, the Sams Ranch-Grayburg Gas Pool, the Tom-Tom San Andres Pool, the Twin Lakes-San Andres Pool, and the White Ranch-Mississippian Gas Pool, all in Chaves County, New Mexico, and the Angell Ranch-Morrow Gas Pool, the East Carlsbad-Morrow Gas Pool, the East Carlsbad-Wolfcamp Gas Pool, the East Empire-Yates-Seven Rivers Pool, the Indian Flats-Delaware Pool, the Kennedy Farms-Atoka Gas Pool, the Kennedy Farms-Morrow Gas Pool, the Malaga-Morrow Gas Pool, the West Parkway-Morrow Gas Pool, the Shugart Yates-Seven Rivers-Queen-Grayburg Pool, and the Square Lake-Grayburg San Andres Pool, all in Eddy County, New Mexico, and the Blinebry Oil and Gas Pool, the Buckeye-Abo Pool, the Corbin-Queen Pool, the Drinkard Pool, the Sanmal-Pennsylvanian Pool, and the Spencer-Paddock Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM  
Section 3: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 28: N/2

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

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM  
Section 28: N/2

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 8: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 28: W/2

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 32: W/2

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 5: NW/4

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 29: S/2

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 10: NE/4

(i) That the Maljamar-Pennsylvanian Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 32: W/2

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 5: NW/4

is hereby abolished.

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 36: S/2

(k) 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 23: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 9: NE/4  
Section 10: N/2

(m) That the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 36: W/2

(n) That the East Carlsbad-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 26: W/2  
Section 36: E/2

(o) That the East Carlsbad-Wolfcamp 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 36: E/2

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 5: E/2 NW/4

(q) 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 36 EAST, NMPM  
Section 13: NE/4

(r) 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 22: SE/4 SE/4  
Section 23: SW/4 SW/4

(s) 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: NE/4 SW/4

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 15: E/2  
Section 21: E/2  
Section 22: W/2

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 21: E/2

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

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM  
Section 25: SE/4 SE/4

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM  
Section 29: N/2 SW/4  
Section 30: S/2 SW/4 and SW/4 SE/4  
Section 31: W/2 and W/2 NE/4

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TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM  
Section 6: N/2 NW/4

(w) 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 14: W/2  
Section 15: S/2

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 20: S/2

(y) That the Sams Ranch-Grayburg 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 14: SW/4  
Section 16: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM  
Section 33: SE/4  
Section 34: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 26: NE/4

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 1: NW/4 SW/4

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

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM  
Section 25: N/2

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(cc) 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 16 SOUTH, RANGE 30 EAST, NMPM  
Section 28: NE/4

(dd) That the proposed extension to the Teague-Devonian Pool in Lea County, New Mexico, is hereby dismissed.

(ee) 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 7 SOUTH, RANGE 31 EAST, NMPM  
Section 33: NE/4

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

TOWNSHIP 8 SOUTH, RANGE 28 EAST, NMPM  
Section 36: SE/4 SE/4

(gg) That the White Ranch-Mississippian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 11 SOUTH, RANGE 29 EAST, NMPM  
Section 33: N/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 Division. 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 Division within said 60-day period shall subject the well to cancellation of allowable.