Entered October «0, 1100

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. 6354 Order No. R-5838

THE APPLICATION OF THE OIL CONSERVATION DIVISION UPON ITS OWN MOTION FOR AN ORDER CREATING, EXTENDING VERTICAL LIMITS AND REDESIGNATING POOL, AND EXTENDING HORIZONTAL LIMITS OF CERTAIN POOLS IN CHAVES, EDDY, LEA, AND ROOSEVELT COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9:00 a.m. on October 11, 1978, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>20th</u> day of October, 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 gas pool in Eddy County, New Mexico, for the production of gas from the Bone Springs formation, said pool to bear the designation of Ross Draw-Bone Springs Gas Pool. Said Ross Draw-Bone Springs Gas Pool was discovered by the D. B. Baxter Ross Draw Unit Well No. 5 located in Unit K of Section 27, Township 26 South, Range 30 East, NMPM. It was completed March 25, 1978, in the Bone Springs formation. The top of the perforations is at 8,235 feet.

(3) That there is need for the creation of a new gas pool in Chaves County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of -2-Case No. 6354 Order No. R-5838

South Sand Ranch-Atoka Gas Pool. Said South Sand Ranch-Atoka Gas Pool was discovered by the Depco, Inc. Beall Federal Well No. 1 located in Unit G of Section 17, Township 11 South, Range 30 East, NMPM. It was completed May 22, 1977, in the Atoka formation. The top of the perforations is at 9,096 feet.

(4) That there is need for the extension of the vertical limits of the Comanche Stateline-Yates Pool in Lea County, New Mexico, to include the Tansill formation and the redesignation of said Comanche Stateline-Yates Pool as the Comanche Stateline-Tansill-Yates Pool. The extension is necessary because of the completion of a well in same pool acreage in both the Tansill and Yates formations.

That there is need for certain extensions to the Many (5)Gates-Morrow Gas Pool, the Sand Ranch-Atoka Gas Pool, and the Twin Lakes-San Andres Associated Pool, all in Chaves County, New Mexico, and the Angell Ranch-Morrow Gas Pool, the East Burton Flat-Morrow Gas Pool, the East Chisum-San Andres Pool, the Crooked Creek-Morrow Gas Pool, the South Empire-Morrow Gas Pool, the West Four Mile Draw-Morrow Gas Pool, the Herradura Bend-Delaware Pool, the Indian Flats-Delaware Pool, the Kennedy Farms-Morrow Gas Pool, the Millman-Strawn Gas Pool, the Red Lake-Pennsylvanian Gas Pool, the Sand Dunes-Cherry Canyon Pool, the North Shugart-Atoka Gas Pool, the North Shugart-Morrow Gas Pool, and the North Turkey Track-Morrow Gas Pool, all in Eddy County, New Mexico, and the Buckeye-Abo Pool, the Corbin-Queen Pool, the Gladiola-Wolfcamp Pool, the Hume-Morrow Gas Pool, the South Kemnitz-Upper Wolfcamp Pool, the East Lusk-Wolfcamp Pool, the North Mescalero-Cisco Pool, the Monument-Paddock Pool, the Quail Ridge-Morrow Gas Pool, the Tubb Pool, and the Vacuum-Grayburg-San Andres Pool, all in Lea County, New Mexico, and the Bluitt-San Andres Associated Pool, the South Peterson-Fusselman Pool, and the Tomahawk-San Andres Pool all in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM Section 27: SW/4

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

TOWNSHIP 11 SOUTH, RANGE 30 EAST, NMPM Section 17: E/2

(c) 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 25: All Section 36: N/2 TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM Section 1: E/2

(d) That the Bluitt-San Andres Associated Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 8 SOUTH, RANGE 38 EAST, NMPM Section 16: N/2 Section 17: NE/4

(e) 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 3: W/2

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM Section 5: E/2

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

> TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM Section 9: NW/4 SE/4 Section 10: W/2 SW/4 Section 21: NE/4 NW/4

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(h) That the vertical limits of the Comanche Stateline-Yates Pool in Lea County, New Mexico, as hereby extended to include the Tansill formation and said Comanche Stateline-Yates Pool is hereby redesignated the Comanche Stateline-Tansill Yates Pool.

(i) That the Corbin-Queen 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 35: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM Section 16: N/2

(k) 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 17 SOUTH, RANGE 28 EAST, NMPM Section 25: S/2

> TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM Section 30: N/2

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM Section 13: N/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM Section 7: S/2 Section 18: All

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

> TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM Section 6: S/2

(m) That the Gladiola-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is

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hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM Section 5: NW/4

(n) That the Herradura Bend-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 31: W/2 E/2 Section 32: NE/4 NE/4

> TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM Section 5: W/2 NW/4

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

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM Section 5: S/2 Section 8: E/2

(p) 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: S/2 SW/4

> TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM Section 2: N/2 NW/4

(q) That the South Kemnitz-Upper Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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

(r) 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 28: E/2 Section 33: E/2

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(s) That the East Lusk-Wolfcamp 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 16: NE/4

(t) That the Many Gates-Morrow Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM Section 31: All

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

> TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM Section 11: NW/4

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

> TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM Section 18: All

(w) 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 21: NE/4

(x) That the South Peterson-Fusselman Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM Section 31: E/2

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

> TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM Section 16: S/2

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

> TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM Section 19: E/2 Section 20: W/2

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM Section 23: E/2 SE/4 and NW/4 SE/4

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

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM Section 23: N/2

(cc) That the North Shugart-Atoka Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM Section 21: W/2

(dd) That the North Shugart-Morrow Gas 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 21: W/2

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

> TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM Section 30: NE/4 Section 31: SE/4 Section 32: NW/4

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(ff) That the Tubb Gas 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 6: NW/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM Section 31: SW/4

(gg) That the North Turkey Track-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 25: W/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM Section 29: N/2 Section 31: S/2

(hh) That the Twin Lakes-San Andres Associated 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 25: S/2 SW/4

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM Section 1: SW/4 NE/4, NW/4 SE/4, SW/4 NW/4 and NW/4 SW/4

(ii) That the Vacuum-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 36 EAST, NMPM Section 19: NW/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

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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 60day 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 November 1, 1978.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION JOE D. RAMEY, Director

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