Entered June 26, 1929 AdR

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. 6575 Order No. R-6033

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 13, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>26th</u> day of June, 1979, 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 pool in Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Cass Draw-Wolfcamp Gas Pool. Said Cass Draw-Wolfcamp Gas Pool was discovered by the Black River Corporation Miller Com Well No. 1 located in Unit C of Section 10, Township 23 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on October 10, 1978. The top of the perforations is at 9896 feet.

(3) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Abo formation, said pool to bear the designation of Runyan Ranch-Abo Gas Pool. Said Runyan Ranch-Abo Gas Pool was discovered by the Mesa Petroleum Company Runyan Federal Com Well No. 1 located in Unit E of Section 17, Township 19 South, Range 23 East, NMPM. It was completed in the Abo formation on September 11, 1978. The top of the perforations is at 4496 feet. -2-Case No. 6575 Order No. R-6033

(4) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Runyan Ranch-Morrow Gas Pool. Said Runyan Ranch-Morrow Gas Pool was discovered by the Mesa Petroleum Company Gardner State Well No. 1 located in Unit K of Section 8, Township 19 South, Range 23 East, NMPM. It was completed in the Morrow formation on January 6, 1979. The top of the perforations is at 7604 feet.

(5) That there is need for the contraction of the vertical limits of the Shoe Bar-Pennsylvanian Gas Pool in Lea County, New Mexico, to the Atoka formation only and the redesignation of said pool as the Shoe Bar-Atoka Gas Pool.

(6) That there is need for certain extensions to the Avalon-Morrow Gas Pool, the Avalon-Wolfcamp Gas Pool, the Burton Flat-Morrow Gas Pool, the South Culebra Bluff-Atoka Gas Pool, the Diamond Mound-Atoka Gas Pool, the Dublin Ranch-Morrow Gas Pool, the East Eagle Creek Atoka-Morrow Gas Pool, the South Empire-Morrow Gas Pool, the Herradura Bend-Delaware Pool, the Indian Flats-Morrow Gas Pool, the Kennedy Farms-Morrow Gas Pool, the East Lake-Morrow Gas Pool, the Logan Draw-Cisco Canyon Gas Pool, the West Malaga-Morrow Gas Pool, the Penasco Draw-Morrow Gas Pool, and the Turkey Track-Morrow Gas Pool, all in Eddy County, New Mexico, and the Austin-Mississippian Gas Pool, the Buffalo-Pennsylvanian Gas Pool, the Eumont Gas Pool, the Hardy-Blinebry Pool, the Shoe Bar-Atoka Gas Pool, and the Wantz-Granite Wash Pool, all in Lea County, New Mexico, and the Chaveroo-San Andres Pool, the South Peterson-Fusselman Pool, the Todd-Wolfcamp 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 Wolfcamp production, is hereby created and designated as the Cass Draw-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM Section 10: N/2

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

> TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM Section 17: NW/4

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

> TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM Section 8: W/2

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

> TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM Section 16: SE/4 Section 17: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM Section 28: N/2

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM Section 21: SW/4 Section 28: N/2

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

> TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM Section 5: NW/4 Section 6: N/2

(h) That the 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 27 EAST, NMPM Section 12: S/2 Section 13: N/2

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(i) That the Chaveroo-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 34: SW/4

(j) That the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM Section 22: N/2 Section 35: N/2

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

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM Section 12: N/2

(1) That the Dublin Ranch-Morrow Gas 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 21: E/2

(m) That the East Eagle Creek Atoka-Morrow Gas 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 13: S/2

(n) 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 29 EAST, NMPM Section 19: S/2

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

> TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM Section 32: W/2

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM Section 2: E/2 SE/4 and SW/4 SE/4

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

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

(r) That the Indian Flats-Morrow Gas 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 25: S/2 Section 36: W/2

(s) 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 10: S/2 Section 11: S/2 Section 16: E/2

(t) That the East Lake-Morrow 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 32: W/2

(u) That the Logan Draw-Cisco Canyon Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM Section 28: W/2

(v) That the West 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 16: N/2

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

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM Section 25: N/2

(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: NW/4

(y) That the vertical limits of the Shoe Bar-Pennsylvanian Gas Pool in Lea County, New Mexico, are hereby contracted to the Atoka formation only, and said pool redesignated the Shoe Bar-Atoka Gas Pool, and the horizontal limits of said Shoe Bar-Atoka Gas Pool are hereby extended to include therein:

> TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM Section 34: SW/4

> TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM Section 3: N/2

(z) That the Teague-Abo Gas 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: S/2 Section 27: NE/4

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

> TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM Section 22: NE/4

(bb) 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: W/2

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

> TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM Section 7: NW/4

(dd) That the Turkey Track-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 14: W/2 Section 15: E/2 Section 23: All Section 24: W/2

(ee) That the Wantz-Granite Wash 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 3: SE/4 Section 10: NE/4

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 70-2-18, NMSA 1978, 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.

(2) That the effective date of this order and all creations, contractions, extensions, and redesignations included herein shall be July 1, 1979. -8-Case No. 6575 Order No. R-6033

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

STATE OF NEW MEXICO dil conservation division th Ì tin Ú JOE D. RAMEY G Director

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