Entered November 2, 1979 DAR

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. 6705 Order No. R-6170

APPLICATION OF THE OIL CONSERVATION DIVISION UPON ITS OWN MOTION FOR AN ORDER CREATING AND EXTENDING 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 a.m. on October 17, 1979, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>2nd</u> day of November, 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 Morrow formation, said pool to bear the designation of Southwest Indian Flats-Morrow Gas Pool. Said Southwest Indian Flats-Morrow Gas Pool was discovered by the Perry R. Bass Big Eddy Unit Well No. 68 located in Unit K of Section 10, Township 22 South, Range 28 East, NMPM. It was completed in the Morrow formation on May 4, 1979. The top of the perforations is at 11,966 feet.

(3) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka-Morrow formation, said pool to bear the designation of South Kemnitz Atoka-Morrow Gas Pool. Said South Kemnitz Atoka-Morrow Gas Pool was discovered by the Tenneco Oil Company Kemnitz Deep Well No. 1 located in Unit G of Section 29, Township 16 South, Range 34 East, NMPM. It was completed in the -2-Case No. 6705 Order No. R-6170

Atoka-Morrow formation on March 8, 1978. The top of the perforations is at 12,611 feet.

(4) That there is need for certain extensions to the Cato-San Andres Pool and the Chaveroo-San Andres Pool, both in Chaves County, New Mexico, and the Angell Ranch-Morrow Gas Pool, the Box Canyon-Permo Pennsylvanian Gas Pool, the East Atoka-Morrow Gas Pool, the Boyd-Morrow Gas Pool, the North Cemetery-Wolfcamp Gas Pool, the South Culebra Bluff-Atoka Gas Pool, the Diamond Mound-Atoka Gas Pool, the Eagle Creek-Permo Pennsylvanian Gas Pool, the South Empire-Morrow Gas Pool, the West Indian Basin-Morrow Gas Pool, the North Loving-Morrow Gas Pool, the Penasco Draw-Atoka Gas Pool, the Penasco Draw-Morrow Gas Pool, the Penasco Draw San Andres-Yeso Associated Pool, the Red Lake-Pennsylvanian Gas Pool, the Shugart-Pennsylvanian Gas Pool, and the Travis-Upper Pennsylvanian Pool, all in Eddy County, New Mexico, and the Anderson Ranch-Morrow Gas Pool, the Antelope Ridge-Atoka Gas Pool, the South Brunson-Abo Pool, the Drinkard Pool, the South Eunice-San Andres Pool, the East Grama Ridge-Morrow Gas Pool, the Imperial Tubb-Drinkard Pool, the Kemnitz-Cisco Pool, the Langley-Ellenburger Gas Pool, the Langlie Mattix Pool, and the North Teague-Devonian Pool, all in Lea County, New Mexico, and the Bluitt-San Andres Associated Pool, the South Peterson-Fusselman Pool, the South Peterson-Pennsylvanian 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 Morrow production, is hereby created and designated as the Southwest Indian Flats-Morrow Gas Pool, consisting of the following described area:

> TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM Section 10: W/2

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

> TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM Section 29: E/2

-3-Case No. 6705 Order No. R-6170

(c) That the Anderson Ranch-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein: I.

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TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM Section 3: S/2

(d) 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 28 EAST, NMPM Section 30: S/2

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM Section 23: S/2

(f) That the East Atoka-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 22: S/2 Section 23: S/2 Section 28: E/2

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

> TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM Section 7: S/2 Section 18: N/2

(h) 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 37 EAST, NMPM Section 22: NE/4

-4-Case No. 6705 Order No. R-6170

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM Section 12: W/2

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

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM Section 30: NE/4

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

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM Section 4: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM Section 18: All

(m) 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 32 EAST, NMPM Section 3: NW/4

(n) 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 34: E/2

(o) 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 11: All

-5-Case No. 6705 Order No. R-6170

(p) That the Drinkard 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: SW/4

(q) That the Eagle Creek-Permo Pennsylvanian 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 36: N/2

(r) 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: N/2

(s) That the South Eunice-San Andres 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 12: SW/4

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

> TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM Section 35: N/2 Section 36: N/2

> TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM Section 2: SW/4

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

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TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM Section 22: SW/4 -6-Case No. 6705 Order No. R-6170

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

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM Section 14: W/2

(w) That the Kemnitz-Cisco 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 8: SE/4 Section 9: SW/4

(x) That the Langley-Ellenburger Gas 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 20: E/2

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

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM Section 32: SW/4

(z) That the North Loving-Morrow 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 8: S/2 Section 16: E/2

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM Section 21: W/2

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

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TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 25: S/2
Section 36: All
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-7-Case No. 6705 Order No. R-6170

(cc) That the Penasco Draw San Andres-Yeso Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

> TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM Section 31: SE/4

(dd) 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 30: SE/4

(ee) That the South Peterson-Pennsylvanian 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: N/2 SE/4 and S/2 NE/4

(ff) 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 17 SOUTH, RANGE 27 EAST, NMPM Section 31: W/2

(gg) That the Shugart-Pennsylvanian 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 27: W/2 Section 33: E/2 Section 34: W/2 and SE/4 Section 35: All

(hh) That the North Teague-Devonian 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 21: NE/4

-8-Case No. 6705 Order No. R-6170

(ii) 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 31: SW/4

(jj) That the Travis-Upper Pennsylvanian 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 13: N/2 S/2

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 nonstandard 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 and extensions included herein shall be November 1, 1979.

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

> STATE OF NEW MEXICO GIL CONSERVATION DIVISION

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