

Entered October 23, 1981
JNR

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. 7371
Order No. R-6810

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN ORDER
CREATING, CONTRACTING, 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 7, 1981, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

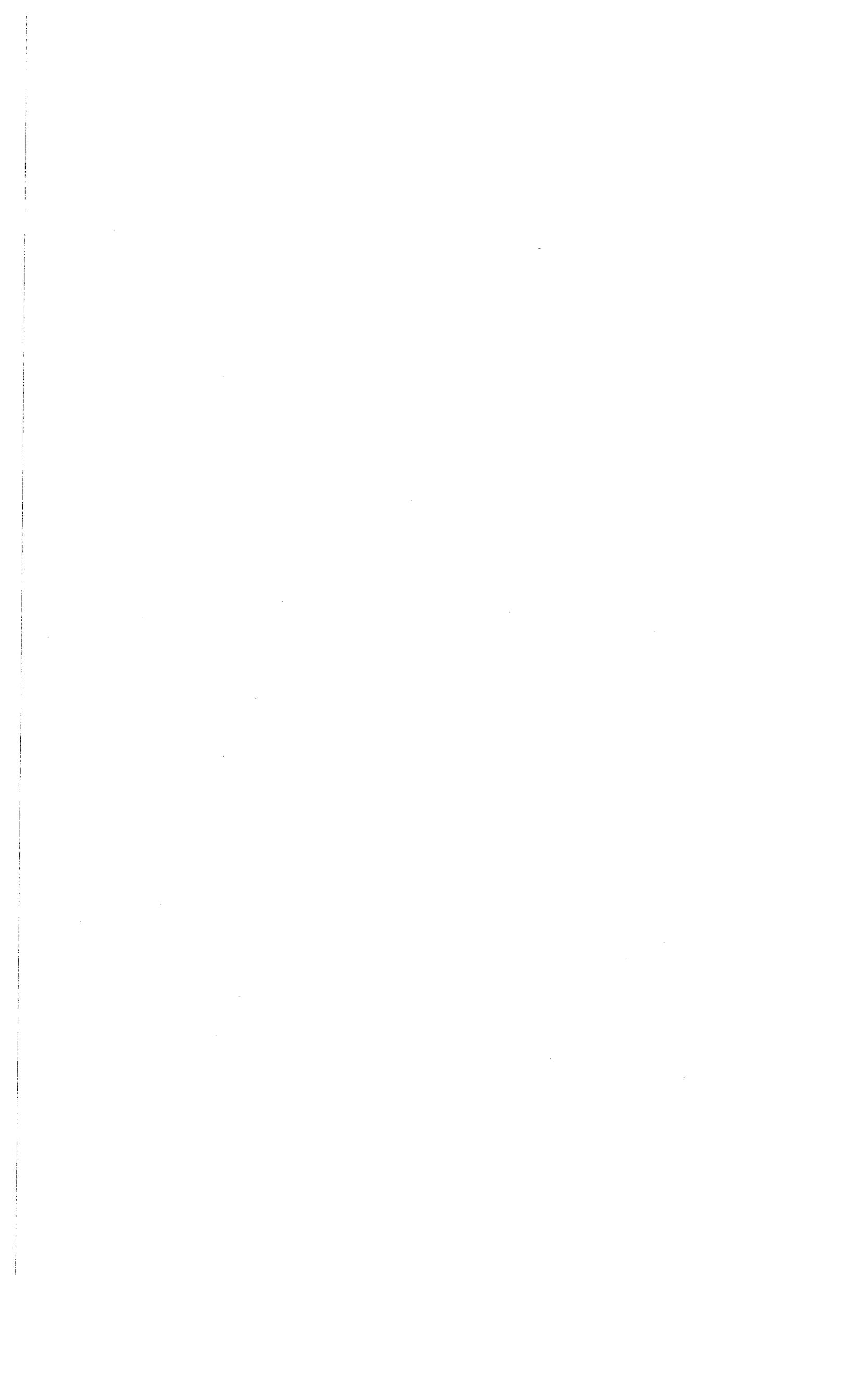
NOW, on this 23rd day of October, 1981, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

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 Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Antelope Ridge-Wolfcamp Pool. Said Antelope Ridge-Wolfcamp Pool was discovered by Coquina Oil Corporation Alexander Well No. 1 located in Unit G of Section 10, Township 24 South, Range 34 East, NMPM. It was completed in the Wolfcamp formation on September 19, 1980. The top of the perforations is at 11,794 feet.

(3) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of Brinninstool-Bone Spring Pool. Said Brinninstool-Bone Spring Pool was discovered by Amoco Production Company State IK Well No. 1 located in Unit C of Section 10, Township 23 South, Range



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33 East, NMPM. It was completed in the Bone Spring formation on January 4, 1981. The top of the perforations is at 9,645 feet.

(4) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Brinninstool-Wolfcamp Pool. Said Brinninstool-Wolfcamp Pool was discovered by Amoco Production Company Federal H Well No. 1 located in Unit L of Section 26, Township 23 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on December 22, 1980. The top of the perforations is at 13,571 feet.

(5) 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 Collins Ranch-Wolfcamp Gas Pool. Said Collins Ranch-Wolfcamp Gas Pool was discovered by Yates Petroleum Corporation State DF Well No. 1 located in Unit D of Section 35, Township 17 South, Range 24 East, NMPM. It was completed in the Wolfcamp formation on March 6, 1975. The top of the perforations is at 4926 feet.

(6) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Fairview Mills-Atoka Gas Pool. Said Fairview Mills-Atoka Gas Pool was discovered by the Enserch Exploration, Inc. T. G. Bates Well No. 1 located in Unit G of Section 14, Township 25 South, Range 34 East, NMPM. It was completed in the Atoka formation on July 16, 1981. The top of the perforations is at 14,763 feet.

(7) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Gem-Wolfcamp Pool. Said Gem-Wolfcamp Pool was discovered by the Amoco Production Company Federal AW Well No. 1 located in Unit E of Section 26, Township 19 South, Range 32 East, NMPM. It was completed in the Wolfcamp formation on March 18, 1980. The top of the perforations is at 10,805 feet.

(8) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Tubb formation, said pool to bear the designation of Hardy-Tubb Pool. Said Hardy-Tubb Pool was discovered by the Conoco Inc. State F Well No. 10 located in Unit V of Section 1, Township 21 South, Range 36 East, NMPM. It was completed in the Tubb formation on May 26, 1981. The top of the perforations is at 6,473 feet.

(9) That there is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Upper Pennsylvanian formation, said pool to bear the designation of Moriah-Upper Pennsylvanian Gas Pool. Said Moriah-Upper Pennsylvanian Gas Pool was discovered by the Tom L. Ingram Moriah Well No. 2 located in Unit J of Section 7, Township 10 South, Range 29 East, NMPM. It was completed in the Upper Pennsylvanian formation on May 22, 1981. The top of the perforations is at 7545 feet.

(10) That there is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Moriah-Atoka Gas Pool. Said Moriah-Atoka Gas Pool was discovered by the Tom L. Ingram Moriah Well No. 1 located in Unit J of Section 7, Township 10 South, Range 29 East, NMPM. It was completed in the Atoka formation on May 22, 1981. The top of the perforations is at 7982 feet.

(11) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Queen formation, said pool to bear the designation of West Reeves-Queen Gas Pool. Said West Reeves-Queen Gas Pool was discovered by the Collier Energy, Inc. Mesa State Well No. 1 located in Unit F of Section 20, Township 18 South, Range 35 East, NMPM. It was completed in the Queen formation on June 18, 1981. The top of the perforations is at 4436 feet.

(12) That there is need for the contraction of the horizontal limits of the Cato-San Andres Pool in Chaves County, New Mexico, due to an overlap with the Tom Tom-San Andres Pool producing from the same formation.

(13) That there is need for the contraction of the horizontal limits of the East Weir-Blinebry Pool in Lea County, New Mexico, due to an overlap with the West Nadine-Blinebry Pool producing from the same formation.

(14) That there is need for the extension of the vertical limits of the Cave-Grayburg Pool in Eddy County, New Mexico, to include the San Andres formation and the redesignation of said pool as the Cave Grayburg-San Andres Pool.

(15) That there is need to redesignate the Sand Ranch-Atoka Gas Pool in Chaves County, New Mexico, to the Sand Ranch-Morrow Gas Pool, as said pool is producing from the Morrow formation rather than the Atoka formation.

(16) That there is need for certain extensions to the Bull's Eye-San Andres Pool, the Linda-San Andres Pool, the Sand Ranch-Morrow Gas Pool, the Tomahawk-San Andres Pool, and the Tom-Tom San Andres Pool, all in Chaves County, New Mexico, and the Antelope Sink-Morrow Gas Pool, the Atoka-Yeso Pool, the Boyd-Morrow Gas Pool, the Crow Flats-Morrow Gas Pool, the South Culebra Bluff-Atoka Gas Pool, the South Culebra Bluff-Bone Spring Pool, the Happy Valley-Morrow Gas Pool, the North Loving-Morrow Gas Pool, the Malaga-Atoka Gas Pool, the Penasco Draw San Andres-Yeso Associated Pool, the Rocky Arroyo-Wolfcamp Gas Pool, the West Sand Dunes-Morrow Gas Pool, and the Turkey Track-Morrow Gas Pool, all in Eddy County, New Mexico, the Baum-Upper Pennsylvanian Pool, the Blinebry Oil and Gas Pool, the East Crossroads-San Andres Pool, the D-K Abo Pool, the East Hightower-Upper Pennsylvanian Pool, the Imperial Tubb-Drinkard Pool, the Jalmat Yates-Seven Rivers Pool, the Kemnitz-Morrow Gas Pool, the Northeast Lovington-Pennsylvanian Pool, the Midway-Devonian Pool, the Quail Ridge-Morrow Gas Pool, the Querecho Plains-Lower Bone Spring Pool, the South Salt Lake-Morrow Gas Pool, the San Simon-Wolfcamp Pool, the Sawyer-San Andres Associated Pool, the Spencer-San Andres Pool, the Tonto-Wolfcamp Pool, the Wantz-Abo Pool, and the North Young-Bone Spring Pool, all in Lea County, New Mexico, and the West Milnesand-San Andres Pool in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 10: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 10: NW/4

(c) That a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the Brinninstool-Wolfcamp Pool, consisting of the

following described area:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM
Section 35: N/2

(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 Fairview Mills-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 14: N/2

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 26: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 1: SW/4

(h) That a new pool in Chaves County, New Mexico, classified as a gas pool for Upper Pennsylvanian production is hereby created and designated as the Moriah-Upper Pennsylvanian Gas Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2

(i) That a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production is hereby created and

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designated as the Moriah-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 7: S/2

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 20: NW/4

(k) That the Cato-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 5: NW/4 SW/4

(l) That the East Weir-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 7: N/2 N/2
Section 8: N/2 N/2
Section 9: W/2 NW/4

(m) That the vertical limits of the Cave-Grayburg Pool in Eddy County, New Mexico, as heretofore defined, are hereby extended to include the San Andres formation and said pool redesignated as the Cave Grayburg-San Andres Pool.

(n) That the Antelope Sink-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 33: S/2

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 4: E/2

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 27: S/2 NE/4, S/2 NW/4, N/2
SE/4 and N/2 SW/4

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

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 23: SW/4

(q) 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 22 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4

(r) That the Boyd-Morrow 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 34: W/2

(s) That the Bull's Eye-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 12: NE/4 SW/4 and E/2 NW/4

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

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM
Section 7: All

(u) That the Crow Flats-Morrow 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 25: E/2
Section 36: E/2

(v) 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 15: W/2

(w) That the South Culebra Bluff-Bone Spring 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 27: N/2 SE/4

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

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 31: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 16: E/2
Section 20: N/2

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

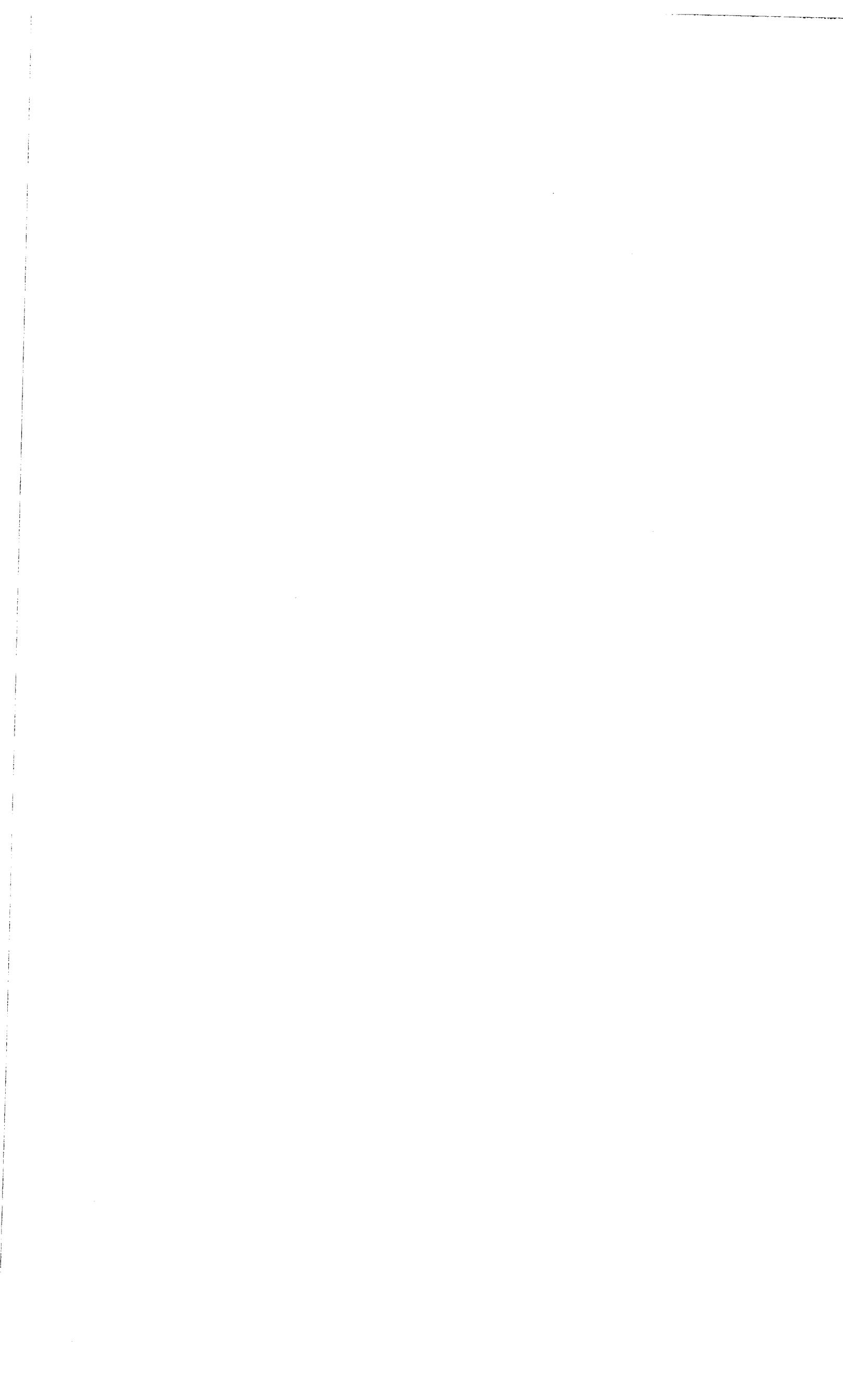
TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 31: NE/4 and E/2 NW/4

(aa) That the Imperial Tubb-Drinkard 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 27: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 15: NE/4



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(cc) That the Kemnitz-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 9: N/2

(dd) 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 26 EAST, NMPM
Section 29: NW/4

(ee) 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 5: S/2
Section 8: N/2
Section 9: W/2

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 18: W/2

(gg) That the Malaga-Atoka 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 15: N/2

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 8: NW/4

(ii) That the West Milnesand-San Andres Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and

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described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 34 EAST, NMPM
Section 17: SE/4

(jj) 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 32: S/2 NE/4 and SE/4
Section 33: S/2 NW/4 and SW/4

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 4: NW/4
Section 5: N/2 NE/4 and SE/4 NE/4

(kk) 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 19: N/2

(ll) That the Querecho Plains-Lower Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 28: S/2

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

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 9: SW/4
Section 16: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 7: E/2
Section 18: N/2

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(oo) That the West Sand Dunes-Morrow Gas 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 32: N/2

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

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 14: S/2

(qq) That the San Simon-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 6: SE/4
Section 7: E/2

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

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM
Section 7: S/2

(ss) That the Spencer-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 23: SE/4

(tt) That the Tomahawk-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 36: NW/4

(uu) 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 5: S/2 SW/4
Section 8: N/2 NW/4

(vv) That the Tonto-Wolfcamp 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 27: E/2

(ww) 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 3: S/2

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

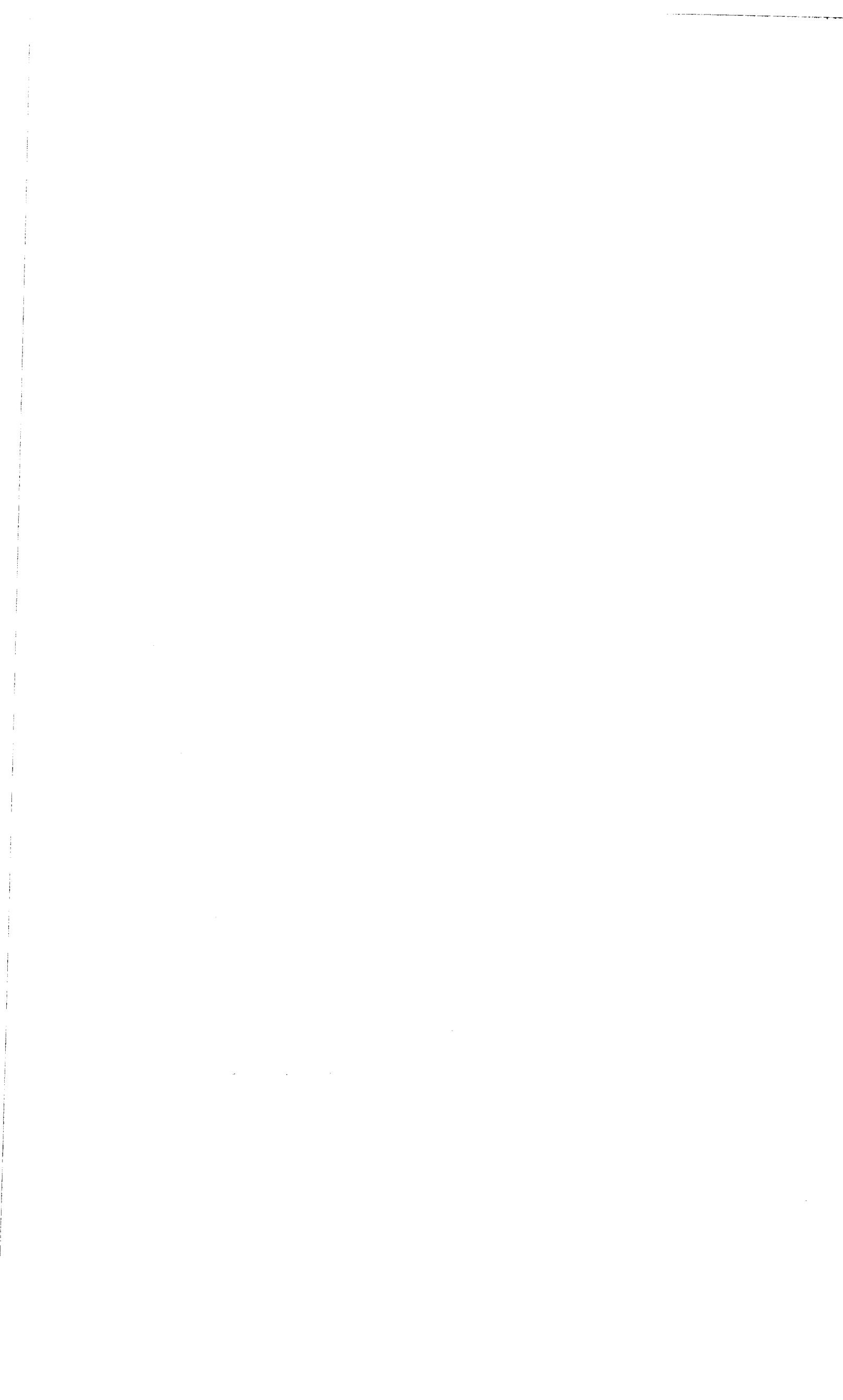
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 10: NE/4

(yy) That the North Young-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
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



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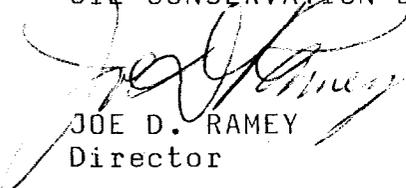
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Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations, contractions, and extensions included herein shall be November 1, 1981.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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