

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. 9062
Order No. R-8388

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 7, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 14th day of January, 1987, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) 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 Triple X-Bone Spring Pool. Said Triple X-Bone Spring Pool was discovered by the Texaco Producing Inc. HNG 4F State Well No. 1 located in Unit F of Section 4, Township 24 South, Range 33 East, NMPM. It was completed in the Bone Spring formation on January 9, 1986. The top of the perforations is at 10,398 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of North Tulk-Abo Pool. Said North Tulk-Abo Pool was discovered by the Coastal Oil & Gas Corporation State 22 Well No. 2 located in Unit O of Section 22, Township 14 South, Range 32 East, NMPM. It was completed in the Abo formation on October 30, 1986. The top of the perforations is at 8,894 feet.

(4) There is need for the dismissal of the proposed extension to the Mescalero Escarpe-Bone Spring Pool in Lea County, New Mexico, pending further study.

(5) There is need for certain extensions to the South Corbin-Bone Spring Pool, the Lower Double A-Abo Pool, the Langley-Strawn Pool, the Northeast Lovington-Pennsylvanian Pool, the San Simon-Yates Pool, and the Wilson Yates-Seven Rivers Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 4: NW/4

(b) A new pool in Lea County, New Mexico, classified as an oil pool for Abo production, is hereby created and designated as the North Tulk-Abo Pool, consisting of the following described area:

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
Section 22: SE/4

(c) The South Corbin-Bone Spring 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 20: NE/4

(d) The Lower Double A-Abo 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 21: NE/4

(e) The Langley-Strawn 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 17: SE/4
Section 20: NE/4
Section 21: W/2
Section 28: N/2

(f) 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 6: SW/4
Section 7: NW/4

(g) The proposed extension to the Mescalero Escarpe-Bone Spring Pool in Lea County, New Mexico, is hereby dismissed.

(h) The San Simon-Yates 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 4: SE/4

(i) The Wilson Yates-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 6: SE/4

IT IS FURTHER ORDERED THAT:

(1) 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 shall subject the well to cancellation of allowable.

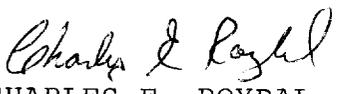
(2) The effective date of this order and all creations and extensions included herein shall be February 1, 1987.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


CHARLES E. ROYBAL
Acting Director

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