

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9186
Order No. R-8484

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CONTRACTING AND EXTENDING THE
VERTICAL AND HORIZONTAL LIMITS OF
CERTAIN POOLS IN EDDY COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 am. on July 29, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 13th day of August, 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 contraction of the Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, in order to include the deleted acreage in the Grayburg Jackson Queen-Grayburg-San Andres-Seven Rivers Pool.

(3) There is need for the extension of the vertical limits of the North Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, to include the Queen formation and the redesignation of said pool as the North Square Lake Queen-Grayburg-San Andres Pool.

(4) There is need for certain extensions to the Artesia Queen-Grayburg-San Andres Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the Grayburg Jackson Queen-Grayburg-San Andres-Seven Rivers Pool, the West Sand Dunes-Morrow Gas Pool,

-2-

Case No. 9186
Order No. R-8484

and the North Shugart-Bone Spring Pool, all in Eddy County, New Mexico.

(5) The effective date of this order and all contractions, extensions of horizontal and vertical limits, and redesignations of pools included herein should be August 1, 1987.

IT IS THEREFORE ORDERED THAT:

(a) The Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 11: W/2, W/2 E/2, and E/2 SE/4

(b) The Grayburg Jackson Queen-Grayburg-San Andres-Seven Rivers Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 11: W/2, W/2 E/2, and E/2 SE/4

(c) The Artesia Queen-Grayburg-San Andres 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 26: E/2

(d) The North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 19: SE/4

(e) 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 33: All

-3-

Case No. 9186
Order No. R-8484

(f) The North Shugart-Bone Spring 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 9: N/2

(g) The vertical limits of the North Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, are hereby extended to include the Queen formation and said pool is hereby redesignated the North Square Lake Queen-Grayburg-San Andres Pool.

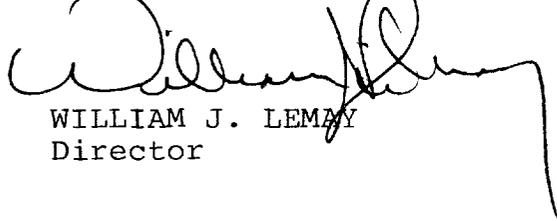
IT IS FURTHER ORDERED THAT:

(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 within said 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all contractions, extensions of vertical and horizontal limits, and redesignations of pools included herein shall be August 1, 1987.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L
fd/