

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. 9274
Order No. R-8562

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 2, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of December, 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 Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Cotton Draw-Atoka Gas Pool. Said Cotton Draw-Atoka Gas Pool was discovered by the Bettis, Boyle and Stovall Sotol Federal Well No. 1 located in Unit F of Section 12, Township 24 South, Range 31 East, NMPM. It was completed in the Atoka formation on March 2, 1987. The top of the perforations is at 13,997 feet.

(3) 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 Forehand Ranch-Wolfcamp Gas Pool. Said Forehand Ranch-Wolfcamp Gas Pool was discovered by the Harvey E. Yates Company Amoco 22 State Well No. 1 located in Unit E of Section

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22, Township 23 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on June 2, 1987. The top of the perforations is at 9,118 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Hackberry-Delaware Pool. Said Hackberry-Delaware Pool was discovered by the Frank Boyce B. B. State Well No. 1 located in Unit O of Section 16, Township 19 South, Range 31 East, NMPM. It was completed in the Delaware formation on September 1, 1987. The top of the perforations is at 4,665 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of East Loving-Delaware Pool. Said East Loving-Delaware Pool was discovered by the Reading and Bates Petroleum Company Brantley Com Well No. 1 located in Unit N of Section 23, Township 23 South, Range 28 East, NMPM. It was completed in the Delaware formation on August 13, 1987. The top of the perforations is at 6,210 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of East Lusk-Bone Spring Pool. Said East Lusk-Bone Spring Pool was discovered by the Damson Oil Corporation Dozier Federal Com Well No. 1 located in Unit K of Section 14, Township 19 South, Range 31 East, NMPM. It was completed in the Bone Spring formation on July 24, 1987. The top of the perforations is at 7,976 feet.

(7) There is need for the dismissal of the proposed Sardine Lake-Devonian Pool in Chaves County, New Mexico, pending further study.

(8) There is need for certain extensions to the Benson-Bone Spring Pool, the Brushy Draw-Delaware Pool, the South Carlsbad-Delaware Pool, the Eagle Creek-Strawn Gas Pool, the Saladar-Strawn Gas Pool, the Southwest Sulphate Draw-Delaware Pool, and the Tamano-Bone Spring Pool, all in Eddy County, New Mexico, and the Diamond Mound Atoka-Morrow Gas Pool, the North Foor Ranch-Pennsylvanian Gas Pool, and the West Pecos Slope-Abo Gas Pool, all in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production is hereby created and designated as the Cotton Draw-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 12: N/2

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

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 22: W/2

(c) A new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the Hackberry-Delaware Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 16: SE/4

(d) A new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the East Loving-Delaware Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 23: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 14: SW/4

(f) The proposed creation of a new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production to be designated as the Sardine Lake-Devonian Pool, is hereby dismissed.

(g) The Benson-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM
Section 11: SW/4

(h) The Brushy Draw-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 12: NW/4

(i) The South Carlsbad-Delaware 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 13: SE/4
Section 24: N/2 NE/4 and SE/4 NE/4

(j) The Diamond Mound Atoka-Morrow Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 30: S/2

(k) The Eagle Creek-Strawn 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 32: W/2

(l) The North Foor Ranch-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 5: W/2
Section 6: E/2

(m) The West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described,

is hereby extended to include therein:

TOWNSHIP 5 SOUTH, RANGE 22 EAST, NMPM
Section 30: W/2
Section 31: All
Section 33: SW/4

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM
Section 10: S/2
Section 15: NW/4

(n) The Saladar-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 30: W/2

(o) The Southwest Sulphate Draw-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 14: NW/4 NE/4, S/2 NE/4, and
SE/4

(p) The Tamano-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 11: E/2
Section 12: SW/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

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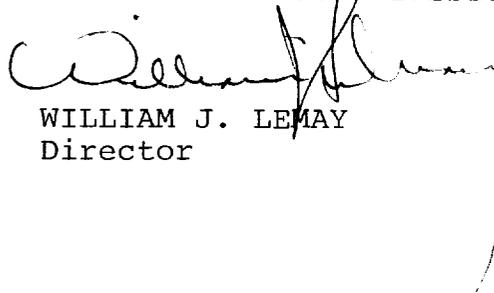
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Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations and extensions included herein shall be January 1, 1988.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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