

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. 9348
Order No. R-8627

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 30, 1988, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 5th day of April, 1988, 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 oil from the Bone Spring formation, said pool to bear the designation of Cedar Hills-Bone Spring Pool. Said Cedar Hills-Bone Spring Pool was discovered by the Manzano Oil Corporation Radke Federal Well No. 1 located in Unit B of Section 8, Township 21 South, Range 27 East, NMPM. It was completed in the Bone Spring formation on January 26, 1988. The top of the perforations is at 6,447 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 Crooked Creek-Wolfcamp Gas Pool. Said Crooked Creek-Wolfcamp Gas Pool was discovered by the BTA Oil Producers 8612 JV-P

Rock Tank Well No. 1 located in Unit I of Section 35, Township 23 South, Range 24 East, NMPM. It was completed in the Wolfcamp formation on January 29, 1988. The top of the perforations is at 7,857 feet.

(4) 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 James Ranch-Bone Spring Pool. Said James Ranch-Bone Spring Pool was discovered by the Yates Petroleum Corporation Medano VA State Well No. 1 located in Unit K of Section 16, Township 23 South, Range 31 East, NMPM. It was completed in the Bone Spring formation on October 12, 1987. The top of the perforations is at 8,065 feet.

(5) 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 South Parkway-Bone Spring Pool. Said South Parkway-Bone Spring Pool was discovered by the Conoco Inc. Tuesday A Federal Well No. 1 located in Unit E of Section 3, Township 20 South, Range 29 East, NMPM. It was completed in the Bone Spring formation on September 20, 1987. The top of the perforations is at 5,834 feet.

(6) 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 Ross Ranch-Wolfcamp Gas Pool. Said Ross Ranch-Wolfcamp Gas Pool was discovered by the Yates Petroleum Corporation Almost Texas Unit Well No. 1 located in Unit N of Section 2, Township 26 South, Range 31 East, NMPM. It was completed in the Wolfcamp formation on January 5, 1984. The top of the perforations is at 11,738 feet.

(7) 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 Rustler Bluff-Morrow Gas Pool. Said Rustler Bluff-Morrow Gas Pool was discovered by the Bettis, Boyle, and Stovall Pickett Draw Federal Well No. 1 located in Unit C of Section 9, Township 25 South, Range 29 East, NMPM. It was completed in the Morrow formation on January 6, 1988. The top of the perforations is at 13,206 feet.

(8) There is need for certain extensions to the East Avalon-Bone Spring Pool, the Brushy Draw-Delaware Pool, the Cabin Lake-Delaware Pool, the Forty Niner Ridge-Delaware Pool, the McMillan-Upper Pennsylvanian Gas Pool, the Mosley Canyon-Strawn Gas Pool, the East Ross Draw-Delaware Pool, the West

Sand Dunes-Morrow Gas Pool, the Sheep Draw-Atoka Gas Pool, the North Shugart-Bone Spring Pool, and the Tamano-Bone Spring Pool, all in Eddy County, New Mexico, and the Foor Ranch Pre-Permian Gas Pool, the North Foor Ranch-Pennsylvanian Gas Pool, the South Pecos Slope-Abo Gas Pool, and the West Pecos Slope-Abo Gas Pool, all in Chaves County, New Mexico.

(9) The effective date of this order and all creations and extensions included herein should be April 1, 1988.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 8: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 35: E/2

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 16: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 3: NW/4

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

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
Section 2: S/2

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

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 9: N/2

(g) The East Avalon-Bone Spring 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 36: NE/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 25: NE/4
Section 28: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 2: SW/4

(j) The Foor Ranch Pre-Permian 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 7: E/2

(k) 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 8 SOUTH, RANGE 27 EAST, NMPM
Section 32: S/2

(l) The Forty Niner Ridge-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 16: W/2

(m) The McMillan-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 7: N/2

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

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM
Section 6: W/2

(o) The South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 7: SW/4

(p) 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 32: SE/4

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

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 24: SE/4
Section 25: NE/4

(r) 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 34: W/2

(s) The Sheep Draw-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 1: W/2
Section 12: W/2

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(t) 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: SW/4

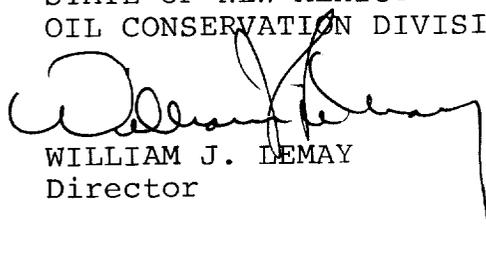
IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, 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 April 1, 1988.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. DEMAY
Director

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