

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. 9741  
Order No. R-8981

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER CREATING, CONTRACTING, AND EXTEND-  
ING 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 August 23, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of August, 1989, 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 Wolfcamp formation, said pool to bear the designation of North Gem-Wolfcamp Pool. Said North Gem-Wolfcamp Pool was discovered by the Oryx Energy Company Hudson Federal Well No. 1 located in Unit G of Section 17, Township 19 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on June 13, 1989. The top of the perforations is at 11,353 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 East Lane-Abo Pool. Said East Lane-Abo Pool was discovered by the Petroleum Production Management Inc. State 8 Well No.

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1 located in Unit A of Section 8, Township 10 South, Range 34 East, NMPM. It was completed in the Abo formation on April 30, 1989. The top of the perforations is at 9,000 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Lane-San Andres Pool. Said Lane-San Andres Pool was discovered by the Petroleum Production Management Inc. Lane B Well No. 3 located in Unit C of Section 1, Township 10 South, Range 33 East, NMPM. It was completed in the San Andres formation on April 18, 1989. The top of the perforations is at 4,521 feet.

(5) 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 the North Teague-Abo Pool. Said North Teague-Abo Pool was discovered by the American Exploration Company Elk State Well No. 1 located in Unit N of Section 16, Township 23 South, Range 37 East, NMPM. It was completed in the Abo formation on March 16, 1989. The top of the perforations is at 6,718 feet.

(6) 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 North Young-Wolfcamp Pool. Said North Young-Wolfcamp Pool was discovered by the Meridian Oil Inc. Federal AF Well No. 2 located in Unit N of Section 8, Township 18 South, Range 32 East, NMPM. It was completed in the Wolfcamp formation on June 23, 1989. The top of the perforations is at 10,458 feet.

(7) There is need for the contraction of the East Caprock-Wolfcamp Pool in Lea County, New Mexico, in order to correct the overlap with the North Bagley-Permo Pennsylvanian Pool and to delete acreage which is nonproductive in the Wolfcamp formation.

(8) There is need for certain extensions to the North Bagley-Permo Pennsylvanian Pool, the Bishop Canyon-Queen Pool, the Grama Ridge-Morrow Gas Pool, the Hare-San Andres Gas Pool, the Lovington-Wolfcamp Pool, the West Lusk-Delaware Pool, the Querecho Plains-Upper Bone Spring Pool, the Reeves-Queen Pool, the Shipp-Strawn Pool, the Teague-

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Blinebry Pool, the West Tonto-Bone Spring Pool, the Tulk-Wolfcamp Pool, the North Vacuum Atoka-Morrow Gas Pool, and the North Young-Bone Spring 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 Wolfcamp production is hereby created and designated as the North Gem-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 17: NE/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 East Lane-Abo Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM  
Section 8: NE/4

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

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM  
Section 1: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 16: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM  
Section 8: SW/4

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(f) The East Caprock-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM  
Section 1: E/2, NW/4, E/2 SW/4, and  
SW/4 SW/4

(g) The North Bagley-Permo Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM  
Section 1: E/2 SW/4 and SW/4 SW/4

(h) The Bishop Canyon-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM  
Section 11: N/2

(i) The Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 9: SE/4  
Section 16: N/2

(j) The Hare-San Andres Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 15: SW/4

(k) The Lovington-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM  
Section 24: S/2

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(l) The West Lusk-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 16: SW/4

(m) The Querecho Plains-Upper 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 24: NW/4

(n) The Reeves-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM  
Section 21: SE/4

(o) The Shipp-Strawn 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 36: SE/4

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM  
Section 31: SW/4

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 2: SE/4  
Section 12: NW/4

(p) The Teague-Blinebry 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 35: NW/4

(q) The West Tonto-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 1: SE/4

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(r) The Tulk-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM  
Section 11: NW/4

(s) The North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

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

(t) 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 12: NE/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 within said 60-day period shall subject the well to cancellation of allowable.

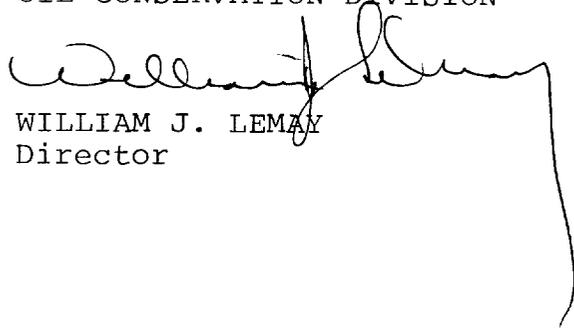
(2) The effective date of this order and all creations, contractions, and extensions included herein shall be September 1, 1989.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY  
Director

S E A L

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