

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. 8033
Order No. R-7419

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, ASSIGNING A DISCOVERY
ALLOWABLE, RECLASSIFYING, ABOLISHING,
AND EXTENDING CERTAIN POOLS IN CHAVES,
EDDY, LEA, AND ROOSEVELT COUNTIES,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 15, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 21st day of December, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That there is need for the dismissal of the proposed creation of a new pool in Eddy County, New Mexico, to be designated the East Avalon-Delaware Pool, pending further study.
- (3) That 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 West Corral Canyon-Delaware Pool. Further, that the discovery well for said pool, the Mobil Producing Texas and New Mexico, Inc. Corral Draw Unit Well No. 1 located in Unit K of Section 14, Township 25 South, Range 29 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 26,075 barrels, to be assigned over a two-year period. Said

discovery well was completed in the Delaware formation on September 29, 1983. The top of the perforations is at 5,215 feet.

(4) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Fusselman formation, said pool to bear the designation of Dublin-Fusselman Gas Pool. Said Dublin-Fusselman Gas Pool was discovered by the Petroleum Development Corporation of Delaware Tenneco Federal Well No. 1 located in Unit N of Section 12, Township 26 South, Range 37 East, NMPM. It was completed in the Fusselman formation on July 26, 1983. The top of the perforations is at 9,650 feet.

(5) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Mississippian formation, said pool to bear the designation of Southwest Gladiola-Mississippian Pool. Said Southwest Gladiola-Mississippian Pool was discovered by the Amoco Production Company Wingerd Well No. 2 located in Unit H of Section 24, Township 12 South, Range 37 East, NMPM. It was completed in the Mississippian formation on June 19, 1983. The top of the perforations is at 11,142 feet.

(6) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Delaware formation, said pool to bear the designation of Red Bluff-Delaware Gas Pool. Said Red Bluff-Delaware Gas Pool was discovered by the Wayne Moore Delaware River Unit Well No. 1 located in Unit G of Section 10, Township 26 South, Range 28 East, NMPM. It was completed in the Delaware formation on July 18, 1983. The top of the perforations is at 3,028 feet.

(7) That there is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Red Lake Ridge-Atoka Gas Pool. Said Red Lake Ridge-Atoka Gas Pool was discovered by the Stevens Operating Company Red Lake Ridge Well No. 1 located in Unit C of Section 21, Township 8 South, Range 29 East, NMPM. It was completed in the Atoka formation on October 12, 1983. The top of the perforations is at 7,712 feet.

(8) That 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 South Sand Dunes-Bone Spring Pool. Said South Sand Dunes-Bone Spring Pool was discovered by the Superior Oil Company Tresnor Federal Well No. 1 located in Unit K of Section 30, Township 23 South,

Range 32 East, NMPM. It was completed in the Bone Spring formation on July 30, 1982. The top of the perforations is at 11,087 feet.

(9) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Springs-Strawn Gas Pool. Said Springs-Strawn Gas Pool was discovered by the Jake L. Hamon Federal 33 Well No. 1 located in Unit I of Section 33, Township 20 South, Range 26 East, NMPM. It was completed in the Strawn formation on September 15, 1983. The top of the perforations is at 9,326 feet.

(10) That there is need for the reclassification of the House-Blinebry Gas Pool in Lea County, New Mexico, to the House-Blinebry Oil Pool due to the reclassification of the only well in the pool from gas to oil.

(11) That there is need for the abolishment of the Burton Flat-Delaware Pool in Eddy County, New Mexico, and the placement of the productive acreage in the Avalon-Delaware Pool.

(12) That there is need for certain extensions to the Buffalo Valley-Pennsylvanian Gas Pool and the South Haystack-San Andres Pool, both in Chaves County, New Mexico, and the Avalon-Delaware Pool, the Big Sinks-Delaware Pool, the Burton Flat-Morrow Gas Pool, the Dublin Ranch-Atoka Gas Pool, the Los Medanos-Atoka Gas Pool, the Malaga-Atoka Gas Pool, the East Millman Queen-Grayburg Pool, and the Power Grayburg-San Andres Pool, all in Eddy County, New Mexico, and the East Grama Ridge-Morrow Gas Pool, the North Lusk-Morrow Gas Pool, the South Salt Lake-Morrow Gas Pool, the West Tonto-Wolfcamp Pool, the Vacuum Grayburg-San Andres Pool, and the Wantz-Abo Pool, all in Lea County, New Mexico, and the Chaveroo-San Andres Pool in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That the creation of a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production to be designated as the East Avalon-Delaware Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 1: Lots 3, 4, 5, and 6

is hereby dismissed.

(b) That a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the West Corral Canyon-Delaware Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 14: SW/4

Further, that the discovery well for said West Corral Canyon-Delaware Pool, being the Mobil Producing Texas and New Mexico, Inc. Corral Draw Unit Well No. 1 located in Unit K of Section 14, Township 25 South, Range 29 East, NMPM, is hereby assigned a bonus discovery allowable in the amount of 26,075 barrels to be produced over a two-year period.

(c) That a new pool in Lea County, New Mexico, classified as a gas pool for Fusselman production is hereby created and designated as the Dublin-Fusselman Gas Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 12: S/2

(d) That a new pool in Lea County, New Mexico, classified as an oil pool for Mississippian production is hereby created and designated as the Southwest Gladiola-Mississippian Pool, consisting of the following described area:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM
Section 24: NE/4

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

TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM
Section 10: E/2

(f) That a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production is hereby created and designated as the Red Lake Ridge-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 21: N/2

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 30: SW/4

(h) That a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production is hereby created and designated as the Springs-Strawn Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
Section 33: E/2

(i) That the House-Blinebry Gas Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 1: NE/4

is hereby reclassified to an oil pool and designated the House-Blinebry Pool.

(j) That the Burton Flat-Delaware Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 19: SW/4

is hereby abolished.

(k) That the Avalon-Delaware 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 19: SW/4
Section 30: W/2

(l) That the Big Sinks-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM
Section 33: NW/4

(m) That the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 36: E/2

(n) That the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 11: N/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 1: All
Section 2: Lots 9, 10, 15, 16, and
SE/4

(o) That the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 34 EAST, NMPM
Section 17: NW/4

(p) That the Dublin Ranch-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 33: S/2

(q) That the East 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 35 EAST, NMPM
Section 5: W/2

(r) That the South Haystack-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 27 EAST, NMPM
Section 18: SE/4

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(s) That the Los Medanos-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 31: S/2

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 6: N/2
Section 7: N/2

(t) That the North Lusk-Morrow Gas 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 2: N/2

(u) That the Malaga-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 14: S/2

(v) That the Malaga-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 22: All

(w) That the East Millman Queen-Grayburg Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 18: S/2

(x) That the Power 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 30 EAST, NMPM
Section 1: W/2 NE/4

(y) That the South Salt Lake-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and

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described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 26: N/2

(z) That the West Tonto-Wolfcamp 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 12: SE/4

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 7: SW/4

(aa) That the Vacuum Grayburg-San Andres 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 2: NE/4

(bb) That the Wantz-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 14: S/2

IT IS FURTHER ORDERED:

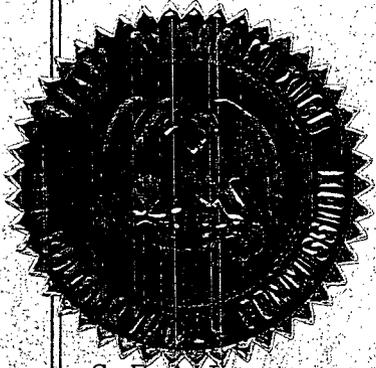
(1) That pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well, which by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the 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 the allowable.

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(2) That the effective date of this order and all creations, discovery allowable assignments, reclassifications, abolishments, and extensions included herein shall be January 1, 1984.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/