

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 11907
Order No. R-10938

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING AND
EXTENDING CERTAIN POOLS IN EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 8, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 9th day of January, 1998, 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 Delaware formation, said pool to bear the designation of South Cotton Draw-Delaware Pool. Said South Cotton Draw-Delaware Pool was discovered by the Texaco Exploration & Production Inc. Cotton Draw Unit Well No. 81 located in Unit L of Section 2, Township 25 South, Range 31 East, NMPM. It was completed in the Delaware formation on June 11, 1997. The top of the perforations is at 7,620 feet.
- (3) 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 Southwest Forty Niner Ridge-Delaware Pool. Said Southwest Forty Niner Ridge-Delaware Pool was discovered by the Texaco Exploration & Production Inc. Remuda Basin State Well

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No. 3 located in Unit K of Section 30, Township 23 South, Range 30 East, NMPM. It was completed in the Delaware formation on February 27, 1997. The top of the perforations is at 4,068 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of West Shugart-Wolfcamp Pool. Said West Shugart-Wolfcamp Pool was discovered by the Penwell Energy, Inc. West Shugart "30" Federal Well No. 1 located in Unit F of Section 30, Township 18 South, Range 31 East, NMPM. It was completed in the Wolfcamp formation on March 2, 1997. The top of the perforations is at 10,130 feet.

(5) There is need for certain extensions to the Cedar Canyon-Delaware Pool, the Ingle Wells-Delaware Pool, the Livingston Ridge-Delaware Pool, the South Livingston Ridge-Delaware Pool, the Nash Draw-Brushy Canyon Pool, the West Parkway-Morrow Gas Pool, the Red Lake-Queen-Grayburg-San Andres Pool, the Saladar-Strawn Gas Pool, and the North Turkey Track-Cisco Gas Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM
Section 2: SW/4

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

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

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

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 30: W/2

(d) The Cedar Canyon-Delaware Pool in Eddy County, New Mexico, as

heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 14: N/2

Section 15: All

(e) The Ingle Wells-Delaware 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 36: SE/4

(f) The Livingston Ridge-Delaware 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 36: W/2

(g) The South Livingston Ridge-Delaware 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 2: SE/4

(h) The Nash Draw-Brushy Canyon 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 31: NE/4

Section 32: NW/4

(i) The West Parkway-Morrow Gas 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 30: N/2

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

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TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 9: SE/4

(k) 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 19: S/2
Section 20: W/2

(l) The North Turkey Track-Cisco Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 31: S/2

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 1: All

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 6: N/2

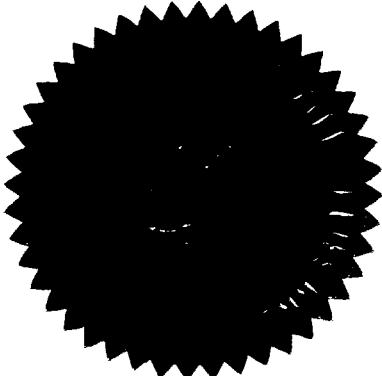
IT IS FURTHER ORDERED THAT:

(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 and extensions included herein shall be February 1, 1998.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'K. A. Garland', is written over the printed name.

KATHLEEN A. GARLAND
Acting Director

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