

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. 12920
Order No. R-11824

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 case came on for hearing at 8:15 a.m. on August 22, 2002, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 29th day of August, 2002, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Grayburg formation, bearing the designation of Cave Lake-Grayburg Gas Pool (**Pool Code 97216**). The Cave Lake-Grayburg Gas Pool was discovered by the Devon SFS Operating, Inc. Crow Flats "15" Federal Com. Well No. 1 (**API No. 30-015-26490**) located in Unit H of Section 15, Township 16 South, Range 28 East, NMPM, which was completed in the Grayburg formation on December 22, 2000. The top of the perforations is at 1,856 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Paddock formation, bearing the designation of East Fren-Paddock Pool (**Pool Code 97213**). The East Fren-Paddock Pool was discovered by the Chevron-Texaco Skelly Unit Well No. 905 (**API No. 30-**

015-31371) located in Unit A of Section 14, Township 17 South, Range 31 East, NMPM, which was completed in the Paddock formation on January 23, 2002. The top of the perforations is at 5,288 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, bearing the designation of Huapache-Atoka Gas Pool (**Pool Code 97219**). The Huapache-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Big Freddy Unit Well No. 1 (**API No. 30-015-29734**) located in Unit G of Section 10, Township 23 South, Range 22 East, NMPM, which was completed in the Atoka formation on January 25, 2000. The top of the perforations is at 9,125 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, bearing the designation of Huapache-Strawn Gas Pool (**Pool Code 97220**). The Huapache-Strawn Gas Pool was discovered by the Yates Petroleum Corporation Big Freddy Unit Well No. 1 (**API No. 30-015-29734**) located in Unit G of Section 10, Township 23 South, Range 22 East, NMPM, which was completed in the Strawn formation on January 25, 2000. The top of the perforations is at 8,671 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, bearing the designation of West Kennedy Farms-Strawn Gas Pool (**Pool Code 97217**). The West Kennedy Farms-Strawn Gas Pool was discovered by the Devon SFS Operating, Inc. Veranda "16" State Com. Well No. 1 (**API No. 30-015-31189**) located in Unit O of Section 16, Township 17 South, Range 26 East, NMPM, which was completed in the Strawn formation on June 17, 2002. The top of the perforations is at 7,628 feet.

(7) There is need for extensions to the West Atoka-Upper Pennsylvanian Gas Pool, the Avalon-Atoka Gas Pool, the South Carlsbad-Atoka Gas Pool, the Dog Town Draw-Morrow Gas Pool, the West Four Mile Draw-Morrow Gas Pool, the North Hackberry-Morrow Gas Pool, the Maljamar-Grayburg-San Andres Pool, the Parkway-Wolfcamp Pool, the Sheep Draw-Strawn Gas Pool, and the North Turkey Track-Morrow Gas Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico, classified as a gas pool for Grayburg production is hereby created and designated as the Cave Lake-Grayburg Gas Pool (**Pool Code 97216**), consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 15: NE/4

(b) A new pool in Eddy County, New Mexico, classified as an oil pool for Paddock production is hereby created and designated as the East Fren-Paddock Pool (**Pool Code 97213**), consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 14: NE/4

(c) A new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production is hereby created and designated as the Huapache-Atoka Gas Pool (**Pool Code 97219**), consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 22 EAST, NMPM
Section 10: E/2

(d) A new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production is hereby created and designated as the Huapache-Strawn Gas Pool (**Pool Code 97220**), consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 22 EAST, NMPM
Section 10: E/2

(e) A new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production is hereby created and designated as the West Kennedy Farms-Strawn Gas Pool (**Pool Code 97217**), consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 16: S/2

(f) The West Atoka-Upper Pennsylvanian Gas Pool (**Pool Code 70820**) in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 15: N/2

(g) The Avalon-Atoka Gas Pool (**Pool Code 70880**) in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
Section 1: S/2

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 6: S/2

(h) The South Carlsbad-Atoka Gas Pool (**Pool Code 73800**) in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 10: E/2

(i) The Dog Town Draw-Morrow Gas Pool (**Pool Code 76082**) in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 31: W/2

(j) The West Four Mile Draw-Morrow Gas Pool (**Pool Code 77000**) in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM
Section 7: SE/4
Section 18: S/2 and NE/4

(k) The North Hackberry-Morrow Gas Pool (**Pool Code 96785**) in Eddy County, New Mexico, is hereby extended to include:

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

(l) The Maljamar-Grayburg-San Andres Pool (**Pool Code 43329**) in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 13: NE/4

(m) The Parkway-Wolfcamp Pool (**Pool Code 49637**) in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 27: N/2
Section 28: NE/4

(n) The Sheep Draw-Strawn Gas Pool (**Pool Code 85200**) in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 4: E/2

(o) The North Turkey Track-Morrow Gas Pool (**Pool Code 86500**) in Eddy County, New Mexico, is hereby extended to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 24: SE/4

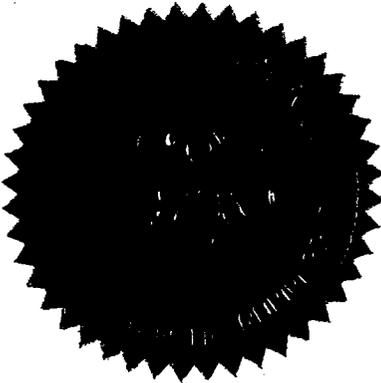
TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 19: S/2

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that 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 that 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 September 1, 2002.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenberg
LORI WROTENBERY
Director