

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2425
Order No. R-2128

APPLICATION OF IVERSON & WELCH FOR
AN ORDER EXTENDING THE LIMITS OF THE
SHUGART AND THE NORTH SHUGART POOLS,
AND ABOLISHING THE CULWIN AND THE
CULWIN-YATES POOLS, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 8, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 29th day of November, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Iverson & Welch, seeks an order abolishing the Culwin and the Culwin-Yates Pools and extending the horizontal limits of the Shugart and the North Shugart Pools to include the Culwin and the Culwin-Yates Pools, all located in Townships 18 and 19 South, Ranges 30 and 31 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant further seeks an order extending the vertical limits of the Shugart and the North Shugart Pools to include the Yates, Seven-Rivers, Queen and Grayburg formations.
- (4) That the complexity of the productive formations in the area covered by the above-described pools makes impractical the delineation of the separate pools.
- (5) That more efficient recovery of oil and gas can be accomplished by combining the marginal zones in this area.

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(6) That the Culwin, Culwin-Yates and North Shugart Pools should be abolished, that the vertical limits of the Shugart Pool should be extended to include the Yates, Seven-Rivers, Queen and Grayburg formations, and that the horizontal limits of the Shugart Pool should be extended to include the following acreage:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 18 SOUTH, RANGE 30 EAST

Section 36: S/2 & NE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST

Section 1: N/2 & N/2 SE/4

TOWNSHIP 18 SOUTH, RANGE 31 EAST

Section 8: S/2
Section 9: S/2 & NE/4
Sections 10 through 18: All
Sections 20 and 21: All
Section 22: W/2 & N/2 NE/4
Section 23: N/2 N/2
Section 24: N/2 N/2
Section 25: SW/4
Section 26: S/2
Section 27: SE/4
Section 29: All
Section 30: SE/4
Sections 31 and 32: All
Section 33: S/2
Sections 34 through 36: All

TOWNSHIP 19 SOUTH, RANGE 31 EAST

Section 2: N/2
Sections 3 through 6: All

(7) That each zone of the following dually completed wells should be assigned an allowable until January 1, 1964:

- (a) J. I. O'Neill-Federal "E" Well No. 3, located in Unit H of Section 1, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico, and completed in the Yates and Queen formations;
- (b) Chambers & Kennedy-Monterey State Well No. 2, located in Unit D of Section 32, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico, and completed in the Yates and Grayburg formations;
- (c) Chambers & Kennedy-Monterey State Well No. 3, located in Unit C of said Section 32, and completed in the Yates and Grayburg formations;

- (d) North Star-State 32 Well No. 1, located in Unit B of said Section 32, and completed in the Yates and Grayburg formations;
- (e) Sunray-New Mexico State "Y" Well No. 1, located in Unit G of said Section 32, and completed in the Yates and Queen-Grayburg formations.

(8) That each of the following twin wells should be granted an allowable until January 1, 1964, even though they are located on the same 40-acre tract:

Iverson & Welch-Shugart "A" Well No. 2, and
Iverson & Welch-Shugart "A" Well No. 8,

both located in Unit N of Section 29, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

(9) That the formation of one pool in this area would be in the interest of protecting correlative rights.

IT IS THEREFORE ORDERED:

(1) That the Culwin, Culwin-Yates and North Shugart Pools, all located in Townships 18 and 19 South, Ranges 30 and 31 East, NMPM, Eddy County, New Mexico, are hereby abolished.

(2) That the vertical limits of the Shugart Pool are hereby extended to include the Yates, Seven-Rivers, Queen and Grayburg formations, and the horizontal limits of the Shugart Pool are hereby extended to include the following acreage, all of which is located in Eddy County, New Mexico:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 18 SOUTH, RANGE 30 EAST
Section 36: S/2 & NE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST
Section 1: N/2 & N/2 SE/4

TOWNSHIP 18 SOUTH, RANGE 31 EAST
Section 8: S/2
Section 9: S/2 & NE/4
Sections 10 through 18: All
Sections 20 and 21: All
Section 22: W/2 & N/2 NE/4
Section 23: N/2 N/2
Section 24: N/2 N/2
Section 25: SW/4
Section 26: S/2

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Section 27: SE/4
Section 29: All
Section 30: SE/4
Sections 31 and 32: All
Section 33: S/2
Sections 34 through 36: All

TOWNSHIP 19 SOUTH, RANGE 31 EAST
Section 2: N/2
Sections 3 through 6: All

(3) That until January 1, 1964, each of the following dually completed wells shall be granted an allowable for each zone of the dual completion, said allowable to be equal to the ability of each zone to produce up to top unit allowable for the Shugart Pool; provided however that in no event shall either zone of the dual completion be permitted to produce in excess of top unit allowable for the pool:

- (a) J. I. O'Neill-Federal "E" Well No. 3, located in Unit H of Section 1, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico;
- (b) Chambers & Kennedy-Monterey State Well No. 2, located in Unit D of Section 32, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico;
- (c) Chambers & Kennedy-Monterey State Well No. 3, located in Unit C of said Section 32;
- (d) North Star-State 32 Well No. 1, located in Unit B of said Section 32;
- (e) Sunray-New Mexico State "Y" Well No. 1, located in Unit G of said Section 32.

(4) That until January 1, 1964, each of the following twin wells shall be granted an allowable equal to its ability to produce up to top unit allowable for the Shugart Pool; provided however that in no event shall either of said wells produce in excess of top unit allowable for the pool:

Iverson & Welch-Shugart "A" Well No. 2, and
Iverson & Welch-Shugart "A" Well No. 8,

both located in Unit N of Section 29, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

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(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



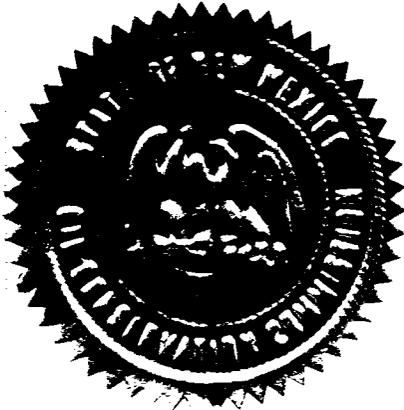
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, JR., Member & Secretary



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