

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. 10474
Order No. R-9668

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN
POOLS IN CHAVES AND LEA COUNTIES, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 30, 1992, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 6th day of May, 1992, 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 gas from the Strawn formation, said pool to bear the designation of Carlsbad Springs-Strawn Gas Pool. Said Carlsbad Springs-Strawn Gas Pool was discovered by the Marathon Oil Company Pioneer Federal Com. Well No. 1 located in Unit G of Section 19, Township 21 South, Range 27 East, NMPM. It was completed in the Strawn formation on August 13, 1991. The top of the perforations is at 10,258 feet.

(3) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of North Foor Ranch-Wolfcamp Gas Pool. Said North Foor Ranch-Wolfcamp Gas Pool was discovered by the Yates Petroleum Corporation Rolla TC Well No. 2 located in Unit G of

Section 29, Township 9 South, Range 26 East, NMPM. It was completed in the Wolfcamp formation on December 30, 1991. The top of the perforations is at 5,041 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, said pool to bear the designation of Hoag Tank-Atoka Gas Pool. Said Hoag Tank-Atoka Gas Pool was discovered by the Yates Petroleum Corporation Oakason NV Federal Well No. 2 located in Unit F of Section 27, Township 19 South, Range 24 East, NMPM. It was completed in the Atoka formation on December 11, 1991. The top of the perforations is at 8,475 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Jennings Spring-Wolfcamp Gas Pool. Said Jennings Spring-Wolfcamp Gas Pool was discovered by the Yates Petroleum Corporation Estelle TA Federal Com. Well No. 1 located in Unit N of Section 21, Township 17 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on September 4, 1991. The top of the perforations is at 6,336 feet.

(6) 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 East Poker Lake-Delaware Pool. Said East Poker Lake-Delaware Pool was discovered by the Yates Petroleum Corporation Cotton Draw AJT Federal Well No. 1 located in Unit E of Section 23, Township 24 South, Range 31 East, NMPM. It was completed in the Delaware formation on January 4, 1992. The top of the perforations is at 7,204 feet.

(7) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Sage Draw-Wolfcamp Gas Pool. Said Sage Draw-Wolfcamp Gas Pool was discovered by the Hawthorne Oil and Gas Corporation Delta Federal Well No. 1 located in Unit G of Section 7, Township 25 South, Range 26 East, NMPM. It was completed in the Wolfcamp formation on May 27, 1980. The top of the perforations is at 9,556 feet.

(8) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Cisco formation, said pool to bear the designation of Sand Dune-Upper Pennsylvanian Pool. Said Sand Dune-Upper Pennsylvanian Pool was discovered by the Myco Industries, Inc. East Turkey Track Federal Com. Well No. 1 located in Unit K of Section 23, Township 18 South, Range 29 East,

NMPM. It was completed in the Cisco formation on December 2, 1991. The top of the perforations is at 9,869 feet.

(9) 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 Willow Lake-Delaware Pool. Said Willow Lake-Delaware Pool was discovered by the Nearburg Producing Company Diamond 31 State Well No. 1 located in Unit I of Section 31, Township 24 South, Range 29 East, NMPM. It was completed in the Delaware formation on January 3, 1992. The top of the perforations is at 5,082 feet.

(10) There is need for certain extensions to the Border Hill-Abo Gas Pool, the Coyote-Queen Pool, and the Twin Lakes-San Andres Associated Pool, all in Chaves County, New Mexico, and the Avalon-Upper Pennsylvanian Gas Pool, the Avalon-Strawn Gas Pool, the East Burton Flat-Morrow Gas Pool, the Cabin Lake-Delaware Pool, the Cass Draw-Delaware Pool, the West Corral Canyon-Delaware Pool, the South Culebra Bluff-Bone Spring Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the South Dagger Draw-Upper Pennsylvanian Associated Pool, the East Lake-Morrow Gas Pool, the Livingston Ridge-Delaware Pool, the Lost Tank-Delaware Pool, and the South Poker Lake-Delaware Pool, all in Eddy County, New Mexico.

(11) The effective date of this order and all creations and extensions included herein should be May 1, 1992.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 19: N/2

(b) A new pool in Chaves County, New Mexico, classified as a gas pool for Wolfcamp production is hereby created and designated as the North Foor Ranch-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 29: N/2

(c) A new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production is hereby created and designated as the Hoag Tank-Atoka Gas Pool, consisting

of the following described area:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 27: N/2

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 21: S/2

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 23: NW/4

(f) A new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production is hereby created and designated as the Sage Draw-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 1: E/2

(g) A new pool in Eddy County, New Mexico, classified as an oil pool for Cisco production is hereby created and designated as the Sand Dune-Upper Pennsylvanian Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 23: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 31: SE/4

(i) The Avalon-Upper Pennsylvanian 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 16: All
Section 21: E/2

(j) The Avalon-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 28: W/2

(k) The Border Hill-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 21 EAST, NMPM
Section 1: NW/4
Section 2: E/2
Section 11: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 1: All

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 6: W/2

(m) The Cabin Lake-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 3: E/2

(n) The Cass Draw-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 14: NE/4

(o) The West Corral Canyon-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined,

and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 10: SW/4
Section 15: W/2

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

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 20: SE/4

(q) The South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 28: NE/4

(r) The North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 6: NW/4

(s) The South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 24: N/2

(t) The East Lake-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 32: SE/4

(u) 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 11: NE/4
Section 12: NW/4

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(v) The Lost Tank-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 1: W/2 and SE/4
Section 2: SE/4

(w) The South Poker Lake-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 34: NW/4

(x) The Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, as heretofore classified, defined, and described; is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 29 EAST, NMPM
Section 5: E/2 NW/4

IT IS FURTHER ORDERED THAT:

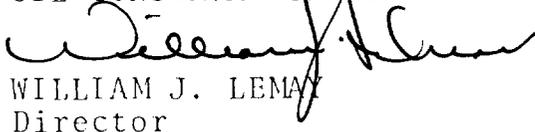
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective 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 and extensions included herein shall be May 1, 1992.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director