

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. 9575
Order No. R-8847

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 4, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 10th day of January, 1989, 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 Livingston Ridge-Delaware Pool. Said Livingston Ridge-Delaware Pool was discovered by the Pogo Producing Company Neff 13 Well No. 1 located in Unit J of Section 13, Township 22 South, Range 31 East, NMPM. It was completed in the Delaware formation on September 26, 1988. The top of the perforations is at 7,119 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Cisco formation, said pool to bear the designation of Loafer Draw-Upper Pennsylvanian Gas Pool. Said Loafer Draw-Upper

Pennsylvanian Gas Pool was discovered by the Yates Petroleum Corporation Loafer Draw Federal Well No. 1 located in Unit B of Section 28, Township 21 South, Range 22 East, NMPM. It was completed in the Cisco formation on August 10, 1988. The top of the perforations is at 6,824 feet.

(4) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Abo formation, said pool to bear the designation of North Pecos Slope-Abo Gas Pool. Said North Pecos Slope-Abo Gas Pool was discovered by the McKay Oil Corporation West Fork Unit Well No. 1 located in Unit C of Section 32, Township 4 South, Range 22 East, NMPM. It was completed in the Abo formation on October 18, 1988. The top of the perforations is at 3,041 feet.

(5) There is need for certain extensions to the Dark Canyon-Pennsylvanian Gas Pool, the Espuela-San Andres Pool, the Parkway-Delaware Pool, and the North Shugart-Bone Spring Pool, all in Eddy County, New Mexico, and the Four Ranch-PrePermian Gas Pool, the Miller Lake-Abo Gas Pool, and the Springer Basin Atoka-Morrow Gas Pool, all in Chaves 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 Livingston Ridge-Delaware Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 13: S/2

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

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 28: N/2

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

TOWNSHIP 4 SOUTH, RANGE 22 EAST, NMPM
Section 32: NW/4

(d) The Dark Canyon-Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 31: S/2
Section 32: S/2

(e) The Espuela-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 26 EAST, NMPM
Section 21: SE/4

(f) The Foor Ranch-PrePermian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 24: All

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 30: N/2

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

TOWNSHIP 7 SOUTH, RANGE 29 EAST, NMPM
Section 25: NE/4

(h) The Parkway-Delaware 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 35: SW/4

(i) The North Shugart-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 6: SW/4

Case No. 9575
Order No. R-8847

(j) The Springer Basin Atoka-Morrow Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

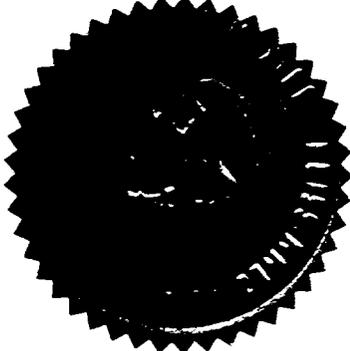
TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM
Section 15: E/2

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.

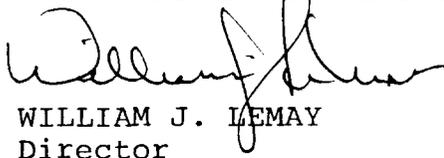
(2) The effective date of this order and all creations and extensions included herein shall be February 1, 1989.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

fd/