

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. 9777
Order No. R-9017

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, ABOLISHING, 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 October 4, 1989, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 12th day of October, 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 gas from the Atoka formation, said pool to bear the designation of Crozier Bluff-Atoka Gas Pool. Said Crozier Bluff-Atoka Gas Pool was discovered by the Yates Petroleum Corporation South Avalon YI Com Well No. 1, located in Unit K of Section 23, Township 21 South, Range 26 East, NMPM. It was completed in the Atoka formation on September 28, 1984. The top of the perforations is at 10,394 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Atoka/Morrow formation, said pool to bear the designation of South Eagle Creek Atoka-Morrow Gas Pool. Said South Eagle

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Creek Atoka-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Marathon AGI State Well No. 1, located in Unit A of Section 33, Township 17 South, Range 24 East, NMPM. It was completed in the Atoka/Morrow formation on April 27, 1989. The top of the perforations is at 7,613 feet.

(4) 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 Frontier Hills-Strawn Gas Pool. Said Frontier Hills-Strawn Gas Pool was discovered by the Bettis Brothers Inc. State 16 Well No. 1, located in Unit O of Section 16, Township 23 South, Range 26 East, NMPM. It was completed in the Strawn formation on July 27, 1989. The top of the perforations is at 10,392 feet.

(5) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Ellenburger formation, said pool to bear the designation of Rabbit Flats-PrePermian Gas Pool. Said Rabbit Flats-PrePermian Gas Pool was discovered by the BHP Petroleum Company, Inc. Yates 36 State Well No. 1, located in Unit L of Section 36, Township 10 South, Range 26 East, NMPM. It was completed in the Ellenburger formation on January 1, 1989. The top of the perforations is at 6,142 feet.

(6) There is need for the abolishment of the North Foor Ranch-Pennsylvanian Gas Pool in Chaves County, New Mexico, in order to place the abolished acreage in the Foor Ranch-PrePermian Gas Pool.

(7) There is need for certain extensions to the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, and the Anderson-Pennsylvanian Gas Pool, the East Burton Flat-Strawn Gas Pool, the East Burton Flat-Wolfcamp Gas Pool, the Eagle Creek-Strawn Gas Pool, the East Palmillo-Bone Spring Pool, the Parkway-Wolfcamp Pool, and the Turkey Track Seven Rivers-Queen-Grayburg-San Andres 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 Atoka production is hereby created and designated as the Crozier Bluff-Atoka Gas Pool, consisting

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of the following described area:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 23: S/2

(b) A new pool in Eddy County, New Mexico, classified as a gas pool for Atoka/Morrow production is hereby created and designated as the South Eagle Creek Atoka-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM
Section 33: N/2

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 16: S/2

(d) A new pool in Chaves County, New Mexico, classified as a gas pool for Ellenburger production is hereby created and designated as the Rabbit Flats-PrePermian Gas Pool, consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 36: W/2

(e) The North Foor Ranch-Pennsylvanian Gas Pool in Chaves County, New Mexico, consisting of the following described area:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 31: S/2
Section 32: S/2

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 5: W/2
Section 6: All

is hereby abolished.

(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 8 SOUTH, RANGE 27 EAST, NMPM
Section 31: S/2
Section 32: S/2

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TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 5: W/2
Section 6: All

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

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 18: SW/4
Section 19: NW/4

(h) The East Burton Flat-Strawn 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 7: E/2
Section 18: E/2

(i) The East Burton Flat-Wolfcamp 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 17: E/2
Section 20: E/2

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

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 15: S/2
Section 16: S/2

(k) The East Palmillo-Bone Spring 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: SE/4

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

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(l) The Parkway-Wolfcamp 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 27: SE/4
Section 34: NE/4

(m) The West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM
Section 16: E/2
Section 32: E/2
Section 33: NW/4

(n) The Turkey Track Seven Rivers-Queen-Grayburg-San Andres 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 11: NE/4

IT IS FURTHER ORDERED THAT:

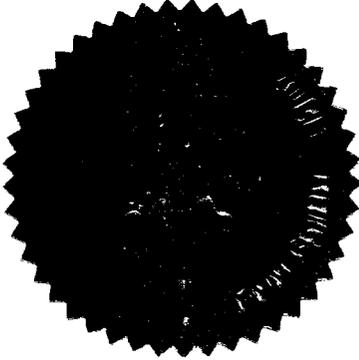
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective 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, abolishments, and extensions included herein shall be November 1, 1989.

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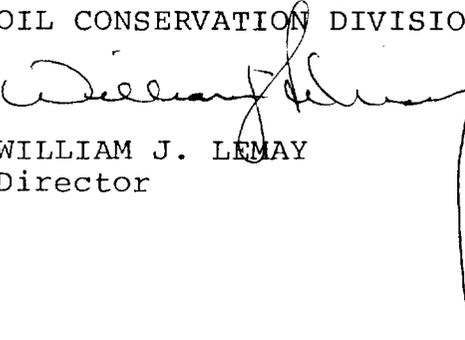
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DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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