

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:

NOMENCLATURE
CASE NO. 10064
ORDER NO. R-9287

APPLICATION OF OXY USA, INC. FOR
POOL CONTRACTION AND EXTENSION,
LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 5, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of September, 1990, 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) At the time of the hearing, this case was consolidated with Division Case Nos. 10062 and 10063 for purposes of testimony.
- (3) The applicant, OXY USA, Inc., owns 100 percent of the Working Interest in and is the current record title holder of Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 4, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico.
- (4) Within the NE/4 equivalent of said Section 4, the Corbin-Queen Pool comprises Lots 1 and 2 (N/2 NE/4 equivalent) and the Central Corbin-Queen Pool comprises the S/2 NE/4.

(5) The applicant at this time seeks the horizontal contraction of the Corbin-Queen Pool and the concomitant extension of the Central Corbin-Queen Pool underlying Lots 1 and 2 (N/2 NE/4 equivalent) of said Section 4.

(6) The geological evidence presented at the hearing indicates that the reservoir characteristics underlying the area in question should be part of the Central Corbin-Queen Pool which appears to be a tidal channel sand deposit trending to the north and south as opposed to the east/west trending beach sand deposits which make up the Corbin-Queen Pool.

(7) In order to protect correlative rights, prevent waste and to continue and promote orderly development in the Queen formation in this area, the subject application should be approved.

IT IS THEREFORE ORDERED THAT:

(1) The Corbin-Queen Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 18 SOUTH, RANGE 33 EAST
Section 4: Lots 1 and 2 (N/2 NE/4 equivalent)

(2) The Central Corbin-Queen Pool in Lea County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

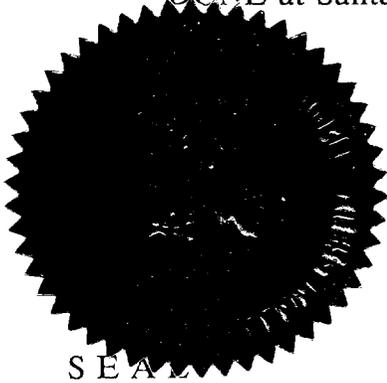
TOWNSHIP 18 SOUTH, RANGE 33 EAST
Section 4: Lots 1 and 2 (N/2 NE/4 equivalent)

(3) 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.

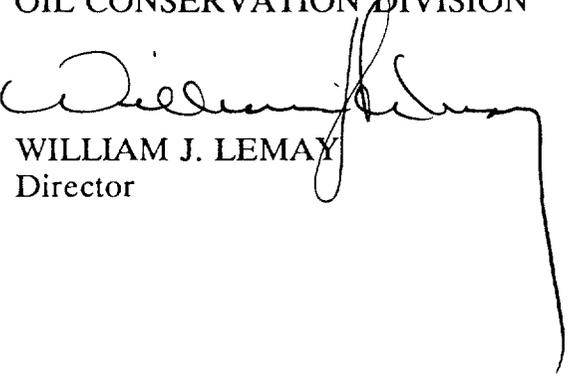
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(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director