

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 10133

ORDER NO. R-9326
~~9345~~

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at _____ a.m. _____ 1990,
at Santa Fe, New Mexico, before Examiner _____.

NOW, on this _____ day of October, 1990, the Division
Director, having considered the testimony, the record, 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 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 South Cotton
Draw-Atoka Gas Pool. Said South Cotton Draw-Atoka Gas Pool was
discovered by Texaco, Inc., Cotton Draw Unit #67, located in Unit
L of Section 35, Township 24 South, Range 31 East NMPM. It was
completed March 13, 1990 in the Atoka formation. The top of
perforations is at 14,060 ft.

(3) 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 Faceaway Ridge-
Delaware Pool. Said Faceaway Ridge-Delaware Pool was discovered
by Chevron U.S.A., Pacheco Fed. #1, located in Unit J of Section
31, Township 19 South, Range 28 East, NMPM. It was completed
July 19, 1990 in the Delaware formation. The top of perforations
is at 3,242 ft.

In addition, a discovery allowable of 16,210 barrels of oil is
granted. This discovery allowable to be produced over a two year
period (730 days) and is over and above the regular daily
allowable.

Dismiss (4) There is need for 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 Springs-Wolfcamp Gas Pool. Said Jennings Springs-Wolfcamp Gas Pool was discovered by Amoco Production Company, Hondo Fed. Gas Com. #1, located in Unit J of Section 27, Township 17 South, Range 27 East, NMPM. It was completed July 2, 1990 in the Wolfcamp formation. The top of perforations is at 6,550 ft.

Dismiss (5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Bone Spring formation. Said pool to bear the designation of Livingston Ridge-Bone Spring Pool. Said Livingston Ridge-Bone Spring was discovered by Union Oil Co. of California, Medano St. #1, located in Unit K of Section 36, Township 22 South, Range 31 East, NMPM. It was completed May 26, 1990 in the Bone Spring formation. The top of perforations is at 10,140 ft.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Bone Spring formation. Said pool to bear the designation of Rock Spur-Bone Spring Pool. Said Rock Spur-Bone Spring Pool was discovered by Hallwood Petroleum, Inc., Craft 25 Com #1 located in Unit B of Section 25, Township 25 South, Range 28 east, NMPM. It was completed on August 9, 1990 in the Bone Spring formation. The top of perforations is at 8,696 ft.

(7) There is need for the creation of a new pool in Eddy County, New Mexico for the production of oil from the Bone Spring formation. Said pool to bear the designation of Scanlon Draw-Bone Spring Pool. Said Scanlon Draw-Bone Spring Pool was discovered by Read & Stevens, Inc., Marbob St. #1, located in Unit A of Section 19, Township 19 South, Range 29 East, NMPM. It was completed on May 29, 1990 in the Bone Spring formation. The top of perforations is at 8,284 ft.

(8) There is need for certain extensions to the Avalon-Morrow Gas Pool, East Burton-Delaware Pool, East Burton Flat-Strawn Gas Pool, South Culebra Bluff-Bone Spring Pool, North Dagger Draw-Upper Penn Pool, South Dagger Draw-Upper Penn Assoc. Pool, Dark Canyon-Penn Gas Pool, Golden Lane-Morrow Gas Pool, Livingston Ridge-Delaware Pool, East Loving-Delaware Pool, North Loving-Morrow Gas Pool, South Loving-Delaware Pool, South Poker Lake-Delaware Pool, Red Lake-Atoka/Morrow Gas Pool, Red Lake-Queen-Grayburg-San Andres Pool, North Shugart-Morrow Gas Pool, and the North Turkey Track-Morrow Gas Pool all in Eddy County, New Mexico and the Four Ranch-Pre Permian Gas Pool and the South Wolf Lake-San Andres Pool both in Chaves County, New Mexico.

IT IS THEREFORE ORDERED:

- (a) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the South Cotton Draw-Atoka Gas Pool. The discovery well is the Texaco, Inc., Cotton Draw Unit #67 located in Ut. L of Section 35, Township 24, South, Range 31 East, NMPM. Said pool would comprise:

Township 24 South, Range 31 East, NMPM.
Section 35: W/2

- (b) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Fadeaway Ridge-Delaware Pool. The discovery well is Chevron U.S.A., Pacheco Fed. #1 located in Unit J of Section 31, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

Township 19 South, Range 28 East, NMPM.
Section 31: SE/4

In addition, a discovery allowable of 16,210 barrels of oil is granted. This discovery allowable to be produced over a two year period (730 days) and is over and above the regular daily allowable.

- Dismiss*
- (c) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Jennings Springs-Wolfcamp Gas Pool. The discovery well is Amoco Production Co., Hondo Fed Gas Com. #1 located in Unit J of Section 27, Township 17 South, Range 27 East, NMPM. Said pool would comprise:

Township 17 South, Range 27 East, NMPM.
Section 27: E/2

- Dismiss*
- (d) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Livingston Ridge-Bone Spring Pool. The discovery well is Union Oil Co. of California, Medano State #1 located in Unit K of Section 36, Township 22 South, Range 31 East, NMPM. Said pool would comprise:

Township 22 South, Range 31 East, NMPM.
Section 36: SW/4

- (e) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Rock Spur-Bone Spring Pool. The discovery well is Hallwood Pet. Inc., Craft 25 Com #1 located in Unit B of Section 25, Township 25 South, Range 28 East, NMPM. Said pool would comprise:

Township 25 South, Range 28 East, NMPM.
Section 25: NE/4

- (f) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Scanlon Draw-Bone Spring Pool. The discovery well is Read & Stevens, Marbob St. #1 located in Unit A of Section 19, Township 19 South, Range 29 East, NMPM.

Township 19 South, Range 29 East, NMPM.
Section 19: NE/4

- (g) Extend the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 27 East, NMPM.
Section 28: N/2

- (h) Extend the East Burton-Delaware Pool in Eddy County, New Mexico to include therein:

Township 20 South, Range 29 East, NMPM.
Section 16: NE/4

- (i) Extend the East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 29 East, NMPM.
Section 15: All
Section 14: E/2

- (j) Extend the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 28 East, NMPM.
Section 28: SE/4

- Township 19 South, Range 24 East, NMPN.
Section 35: All
Section 22: SE/4
Section 27: NE/4

- Township 20 South, Range 24 East, NMPM.
Section 10: NE/4
Section 12: NW/4

- Township 20 South, Range 24 East, NMPN.
Section 15: All

- Township 23 South, Range 25 East, NMPM.
Section 32: N/2

- Township 9 South, Range 26 East, NMFM.
Section 28: S/2
Section 27: S/2

- Township 21 South, Range 29 East, NMPM.
Section 21: All

- Township 22 South, Range 31 East, NMPM.
Section 24: NE/4
Section 26: NE/4

- Township 23 South, Range 28 East, NMPM.
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| Section 24: NW/4 | Section 34: NE/4 |
| Section 23: SE/4 | Section 15: E/2 |
| Section 14: SE/4 | Section 10: SE/4 |
| Section 11: N/2 | |

- (r) Extend the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 28 East, NMPM.
Section 9: E/2

- (s) Extend the South Loving-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 28 East, NMPM.
Section 17: E/2

- (t) Extend the South Foker Lake-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 24 South, Range 31 East, NMPM.
Section 33: NE/2

- (u) Extend the Red Lake-Atoka/Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 27 East, NMPM.
Section 16: E/2

- (v) Extend the Red Lake-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

Township 17 South, Range 28 East, NMPM.
Section 10: N/2 SW/4

- (w) Extend the North Shugart-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 31 East, NMPM.
Section 16: E/2

- (x) Extend the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 29 East, NMPM.
Section 23: S/2
Section 22: S/2

- (y) Extend the South Wolf Lake-San Andres Pool in Chaves County, New Mexico, to include therein:

Township 9 South, Range 27 East, NMPM.
Section 13: NE/4

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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 _____.

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

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director