

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8508
Order No. R-7842

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on February 27, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 1st day of March, 1985, 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 Lea County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of Northwest Antelope Ridge-Bone Spring Pool. Said Northwest Antelope Ridge-Bone Spring Pool was discovered by the Curry Resources Pronghorn State Well No. 1 located in Unit J of Section 9, Township 23 South, Range 34 East, NMPM. It was completed in the Bone Spring formation on October 5, 1984. The top of the perforations is at 8,501 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of Arkansas Junction-Bone Spring Pool. Said Arkansas Junction-

Bone Spring Pool was discovered by the Gulf Oil Corporation Lea ACF State Well No. 1 located in Unit A of Section 35, Township 18 South, Range 36 East, NMPM. It was completed in the Bone Spring formation on January 6, 1985. The top of the perforations is at 6,285 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of Bradley-Bone Spring Pool. Said Bradley-Bone Spring Pool was discovered by the Gulf Oil Corporation Wilson C Federal Well No. 1 located in Unit E of Section 29, Township 26 South, Range 34 East, NMPM. It was completed in the Bone Spring formation on November 5, 1984. The top of the perforations is at 9,812 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of Langley-Strawn Pool. Further, the discovery well for said pool, the ARCO Oil and Gas Company Langley Griffin Well No. 1 located in Unit J of Section 28, Township 22 South, Range 36 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 46,700 barrels to be assigned over a two-year period. Said discovery well was completed in the Strawn formation on November 7, 1984. The top of the perforations is at 9,340 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Mississippian formation, said pool to bear the designation of Lowe Ranch-Mississippian Gas Pool. Said Lowe Ranch-Mississippian Gas Pool was discovered by the Kimbark Oil and Gas Company M. F. Walker Well No. 2 located in Unit J of Section 27, Township 12 South, Range 37 East, NMPM. It was completed in the Upper Mississippian formation on July 29, 1984. The top of the perforations is at 12,032 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Grayburg formation, said pool to bear the designation of Mescalero Escarpe-Grayburg Pool. Said Mescalero Escarpe-Grayburg Pool was discovered by the Cities Service Oil and Gas Corporation State DW Well No. 5 located in Unit P of Section 12, Township 18 South, Range 33 East, NMPM. It was completed in the Grayburg formation on November 13, 1984. The top of the perforations is at 5,091 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Red Hills-Atoka Gas Pool. Said Red Hills-Atoka Gas Pool was discovered by the HNG Oil Company Vaca 13 Federal Well No. 1 located in Unit C of Section 13, Township 25 South, Range 33 East, NMPM. It was completed in the Atoka formation on March 9, 1984. The top of the perforations is at 14,495 feet.

(9) There is need for the extension of the lower vertical limit of the Bagley-Lower Pennsylvanian Gas Pool in Lea County, New Mexico, to -5700 subsea in order to include the producing interval of the Petrus Operating Co. Inc. State Well No. 1 located in Unit I of Section 34, Township 11 South, Range 33 East, NMPM, completed in the Strawn formation on November 21, 1984, with perforations from 9,885 to 9,918 feet.

(10) There is need for certain extensions to the Cedar Point-Strawn Pool in Chaves County, New Mexico, and the Anderson Ranch-Morrow Gas Pool, the Northeast Caudill-Wolfcamp Pool, the Double X-Delaware Pool, the Drinkard Pool, the EK-Bone Spring Pool, the West Hume-Queen Pool, the Pearl-Queen Pool, the Pitchfork Ranch-Morrow Gas Pool, and the Saunders Permo-Upper Pennsylvanian Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the Northwest Antelope Ridge-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 9: SE/4

(b) A new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the Arkansas Junction-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 35: NE/4

(c) A new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production is hereby created

and designated as the Bradley-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM
Section 29: NW/4

(d) A new pool in Lea County, New Mexico, classified as an oil pool for Strawn production is hereby created and designated as the Langley-Strawn Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 28: SE/4

Further, the discovery well for said Langley-Strawn Pool, being the ARCO Oil and Gas Company Langley Griffin Well No. 1 located in Unit J of Section 28, Township 22 South, Range 36 East, NMPM, is hereby assigned a bonus discovery allowable in the amount of 46,700 barrels to be produced over a two-year period.

(e) A new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production is hereby created and designated as the Lowe Ranch-Mississippian Gas Pool, consisting of the following described area:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM
Section 27: SE/4

(f) A new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production is hereby created and designated as the Mescalero Escarpe-Grayburg Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 12: SE/4

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

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 13: N/2

(h) The Anderson Ranch-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 32: S/2

(i) The lower vertical limit of the Bagley-Lower Pennsylvanian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to -5700 subsea.

(j) The Northeast Caudill-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM
Section 1: NW/4

(k) The Cedar Point-Strawn Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 26: SW/4

(l) The Double X-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4

(m) The Drinkard Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 1: Lots 11, 12, 13, and 14
Section 2: Lots 9, 15, and 16

(n) The EK-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 36: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 14: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 26: NE/4
Section 28: SE/4

(q) The Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 30: W/2
Section 31: W/2

(r) The Saunders Permo-Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 12: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 1: SW/4
Section 2: SE/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.

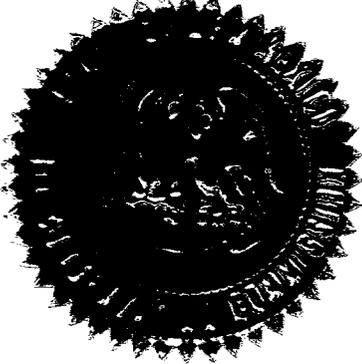
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(2) The effective date of this order and all creations, discovery allowable assignments, and extensions included herein shall be March 1, 1985.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS
Director

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