

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. 8600
Order No. R-7955

NOMENCLATURE

APPLICATION OF WAYNE NEWKUMET FOR
THE CONTRACTION OF THE HORIZONTAL
LIMITS OF TWO PERMO PENNSYLVANIAN
OIL POOLS, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on May 22, 1985, and on June 5, 1985, at Santa Fe, New Mexico, before Examiners Michael E. Stogner and Gilbert P. Quintana, respectively.

NOW, on this 12th day of June, 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) The applicant, Wayne Newkumet, is the owner of certain oil and gas interests in Section 35, Township 14 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) The North Morton Permo-Pennsylvanian Pool, as currently defined, includes the SW/4 of Section 29, all of Section 31, and the NW/4 of Section 32 of Township 14 South, Range 35 East, NMPM, the S/2 of Section 25, the SE/4 of Section 26 and the N/2 of Section 36 of Township 14 South, Range 34 East, NMPM, and the NW/4 of Section 6 of Township 15 South, Range 35 East, NMPM.

(4) The High Plains Permo-Pennsylvanian Pool, as currently defined, includes the SW/4 of Section 14, the NW/4

and E/2 of Section 22, the W/2 of Section 23 and the W/2 of Section 26 of Township 14 South, Range 34 East, NMPM.

(5) Said Section 35 is bounded by both the North Morton and High Plains Permo-Pennsylvanian Pools.

(6) The applicant seeks the contraction of the North Morton Permo-Pennsylvanian Pool by the deletion therefrom of the S/2 of Section 25, the SE/4 of Section 26, and the N/2 of Section 36, Township 14 South, Range 34 East, NMPM, and the concomitant extension of the High Plains Permo-Pennsylvanian Pool to include the SW/4 of Section 25, the SE/4 of Section 26, and the NW/4 of Section 36, Township 14 South, Range 34 East, NMPM.

(7) The geological evidence presented at the hearing indicates that there is a generally Northeast-Southwest trending area of low permeability separating the three most westerly of the North Morton Pool wells (located in the SE/4 SW/4 of Section 25, the SW/4 SW/4 of Section 26, and the SW/4 NW/4 of Section 36) from the remainder of the wells in the pool.

(8) The evidence further indicates that the aforesaid three wells are in communication with, and should properly be reclassified in, the High Plains Permo-Pennsylvanian Pool.

(9) No party appeared and objected to the proposed contraction and extension of said pools.

(10) The owner and operator of the aforesaid three wells waived objection to the reclassification of said wells from the North Morton Pool to the High Plains Pool.

(11) Contraction of the horizontal limits of the North Morton Permo-Pennsylvanian Pool and the concomitant extension of the High Plains Permo-Pennsylvanian Pool, all as described in Finding Paragraph No. (6) above, will not cause waste nor impair correlative rights and should be approved, subject to the following provisions:

- A. Any well which is reclassified from the North Morton Pool to the High Plains Pool should be subject to the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool as promulgated by Division Order No. R-2874, as amended, except as herein provided.

- B. The location of any well reclassified from the North Morton Pool to the High Plains Pool whose location does not comply with the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool should be automatically approved as an exception to said special pool rules.
- C. The operator of any well so reclassified should have 60 days from the date of entry of this order in which to file new Division Forms C-102, Well Location and Acreage Dedication Plat, for each such well, dedicating thereto 160 acres, or to obtain approval of a non-standard proration unit.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 25: S/2
Section 26: SE/4
Section 36: N/2

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

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 25: SW/4
Section 26: SE/4
Section 36: NW/4

(3) Any well drilling to or completed in the Permo-Pennsylvanian formation within the lands described in Ordering Paragraph No. (2) above whose location does not comply with the well location requirements of the High Plains Permo-Pennsylvanian Pool as set forth in Division Order No. R-2874, as amended, is hereby granted an exception to said well location requirements.

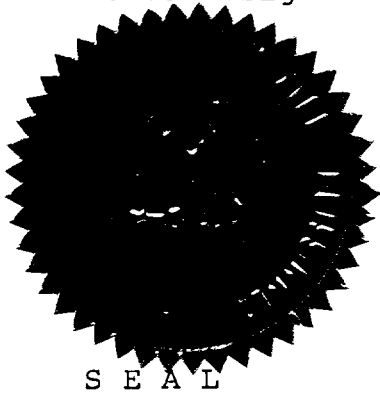
(4) The lands described in Ordering Paragraph No. (2) above shall be subject to the Special Pool Rules for the High Plains Permo-Pennsylvanian Pool, as shall any well located thereon which is drilling to or completed in the Permo-Pennsylvanian formation.

IT IS FURTHER ORDERED THAT:

(5) Pursuant to Section 70-2-18, NMSA, 1978, contained in Chapter 271, Laws of 1969, any well, which by virtue of this order, is subject to pool rules providing for spacing or pro-rata units larger than the one which is presently dedicated thereto, shall have 60 days from the date of entry 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.

(6) Jurisdiction of this cause and the subject matter thereof 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

R. L. Stamets
R. L. STAMETS
Director