

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO
CONSIDER:

CASE NO. 8691
Order No. R-8024

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING AND EXTENDING CERTAIN
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 August 28, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 30th day of August, 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 Chaves County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of West Cedar Point-Wolfcamp Gas Pool. Said West Cedar Point-Wolfcamp Gas Pool was discovered by the V. H. Westbrook V. G. Kinihan Federal Well No. 1 located in Unit O of Section 20, Township 15 South, Range 30 East, NMPM. It was completed in the Wolfcamp formation on April 7, 1985. The top of the perforations is at 8,060 feet.

(3) 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 Johnson Ranch-Atoka Gas Pool. Said Johnson Ranch-Atoka Gas Pool was discovered by the Southland Royalty Company Madera Ridge "27" State Com Well No. 1 located in Unit B of Section 27, Township

24 South, Range 33 East, NMPM. It was completed in the Atoka formation on May 29, 1985. The top of the perforations is at 14,878 feet.

(4) 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 East Ranger Lake-Atoka Gas Pool. Said East Ranger Lake-Atoka Gas Pool was discovered by the MWJ Producing Company Elkan 6 Com Well No. 1 located in Unit L of Section 6, Township 13 South, Range 35 East, NMPM. It was completed in the Atoka formation on May 18, 1985. The top of the perforations is at 11,642 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Yates Seven Rivers formation, said pool to bear the designation of Young-Yates Seven Rivers Pool. Said Young-Yates Seven Rivers Pool was discovered by the MMM Petroleum Federal 15 Well No. 1 located in Unit N of Section 15, Township 18 South, Range 32 East, NMPM. It was completed in the Yates Seven Rivers formation on August 3, 1985. The top of the perforations is at 3,042 feet.

(6) There is need for certain extensions to the Air Strip-Bone Spring Pool, the North Anderson Ranch-Wolfcamp Pool, the Baum-Upper Pennsylvanian Pool, the East Grama Ridge-Morrow Gas Pool, the House Yates-Seven Rivers Gas Pool, the Mescalero Escarpe-Bone Spring Pool, the Querecho Plains-Upper Bone Spring Pool, the Scharb-Wolfcamp Pool, the Wantz-Abo Pool, and the North Young-Bone Spring Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Chaves County, New Mexico, classified as a gas pool for Wolfcamp production is hereby created and designated as the West Cedar Point-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 20: S/2

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

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 27: N/2

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

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM
Section 6: S/2

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 15: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 14: SW/4

(f) The North Anderson Ranch-Wolfcamp 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 28: NE/4

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

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 13: SW/4
Section 24: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 25: N/2

(i) The House Yates-Seven Rivers Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 6: E/2

(j) The Mescalero Escarpe-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 13: NE/4

(k) The Querecho Plains-Upper 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 27: N/2

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 32: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 14: NE/4

(n) 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 4: SW/4
Section 8: NW/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

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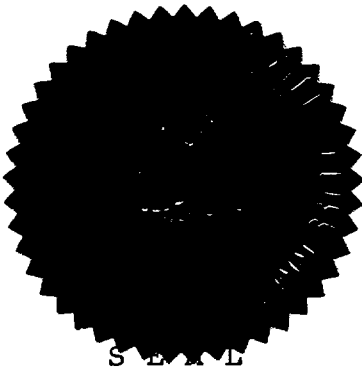
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well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

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

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

fd/