

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. 9069
Order No. R-8391

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 21, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 22nd day of January, 1987, 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 Eddy County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Dayton-Wolfcamp Gas Pool. Said Dayton-Wolfcamp Gas Pool was discovered by the Marathon Oil Company Ralph Nix Well No. 1 located in Unit J of Section 29, Township 18 South, Range 26 East, NMPM. It was completed in the Wolfcamp formation on October 11, 1986. The top of the perforations is at 6,349 feet.

(3) 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 Getty-Bone Spring Pool. Said Getty-Bone Spring Pool was discovered by the TXO Production Corporation Williamson Federal Well No. 5 located in Unit B of Section 15, Township

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20 South, Range 29 East, NMPM. It was completed in the Bone Spring formation on May 17, 1985. The top of the perforations is at 7,200 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of South Parkway-Wolfcamp Pool. Said South Parkway-Wolfcamp Pool was discovered by the Conoco Inc. Tuesday A Federal Well No. 1 located in Unit E of Section 3, Township 20 South, Range 29 East, NMPM. It was completed in the Wolfcamp formation on June 26, 1986. The top of the perforations is at 9,310 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of North Sand Dunes-Morrow Gas Pool. Said North Sand Dunes-Morrow Gas Pool was discovered by the Union Oil Company Barclay State Well No. 1 located in Unit I of Section 2, Township 23 South, Range 31 East, NMPM. It was completed in the Morrow formation on May 4, 1986. The top of the perforations is at 14,062 feet.

(6) There is need for the abolishment of the Cave Grayburg-San Andres Pool in Eddy County, New Mexico, in order to place the abolished acreage in the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool.

(7) There is need for certain extensions to the East Carlsbad-Wolfcamp Gas Pool, the North Cemetery-Atoka Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the Empire-Atoka Gas Pool, the Happy Valley-Morrow Gas Pool, the North Illinois Camp-Morrow Gas Pool, the Indian Basin-Morrow Gas Pool, the Otis-Morrow Gas Pool, the East Ross Draw-Delaware Pool, the Shugart Yates-Seven Rivers-Queen-Grayburg Pool, and the East Shugart-Delaware Pool, all in Eddy County, New Mexico, and the Diablo-San Andres Pool in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 29: S/2

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 15: NE/4

(c) A new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the South Parkway-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 3: NW/4

(d) A new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production is hereby created and designated as the North Sand Dunes-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 2: E/2

(e) The Cave Grayburg-San Andres Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 31: S/2 S/2
Section 33: S/2 and NE/4

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 1: NE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 3: SW/4 NW/4
Sections 4 and 5: All
Section 6: N/2 and SE/4
Section 7: NE/4
Section 8: All
Section 9: N/2, SW/4, and NE/4 SE/4

is hereby abolished.

(f) The Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 31: S/2 S/2
Section 33: S/2 and NE/4

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TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 1: NE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 3: SW/4 NW/4
Sections 4 and 5: All
Section 6: N/2 and SE/4
Section 7: NE/4
Section 8: All
Section 9: N/2, SW/4, and NE/4 SE/4

(g) The East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 28: All

(h) The North Cemetery-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 15: W/2
Section 22: W/2
Section 27: W/2

(i) The North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 19: NE/4

(j) The Diablo-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 27: SW/4 NW/4, E/2 NW/4, and
SW/4

(k) The Empire-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 26: All

(l) The Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 27: All

(m) The North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 7: N/2

(n) The Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 32: All

(o) The Otis-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 24: W/2

(p) The East Ross Draw-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 25: S/2
Section 26: SE/4

(q) The Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 26: NW/4

(r) The East Shugart-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 13: SE/4
Section 24: SE/4

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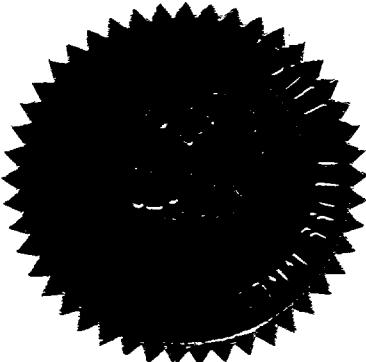
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IT IS FURTHER ORDERED THAT:

(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.

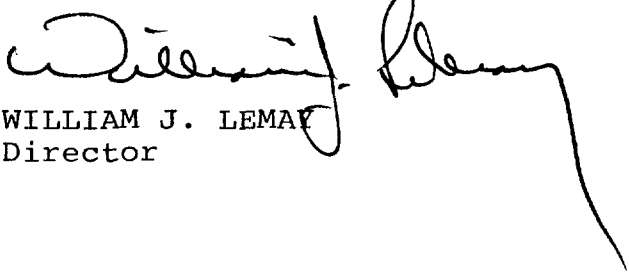
(2) The effective date of this order and all creations, abolishments, and extensions included herein shall be February 1, 1987.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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