

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 9684
Order No. R-8945

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING 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 May 24, 1989, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of May, 1989, 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 Pennsylvanian formation, said pool to bear the designation of South Acme-Pennsylvanian Gas Pool. Said South Acme-Pennsylvanian Gas Pool was discovered by the Yates Petroleum Corporation Cactus Flower State Well No. 1 located in Unit K of Section 19, Township 8 South, Range 27 East, NMPM. It was completed in the Pennsylvanian formation on January 23, 1989. The top of the perforations is at 6,257 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Canyon formation, said pool to bear the designation of

Boyd-Canyon Pool. Said Boyd-Canyon Pool was discovered by the Yates Petroleum Corporation Cotton MX Federal Com Well No. 1 located in Unit C of Section 14, Township 19 South, Range 25 East, NMPM. It was completed in the Canyon formation on January 16, 1989. The top of the perforations is at 7,688 feet.

(4) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Montoya formation, said pool to bear the designation of Comanche Spring-PrePermian Gas Pool. Said Comanche Spring-PrePermian Gas Pool was discovered by the BHP Petroleum Company, Inc. Ervin Ranch State Com Well No. 1 located in Unit G of Section 5, Township 11 South, Range 27 East, NMPM. It was completed in the Montoya formation on December 5, 1988. The top of the perforations is at 6,048 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Delaware formation, said pool to bear the designation of Foster Draw-Delaware Gas Pool. Said Foster Draw-Delaware Gas Pool was discovered by the H. L. Brown, Jr. Federal 8 Well No. 1 located in Unit E of Section 8, Township 21 South, Range 27 East, NMPM. It was completed in the Delaware formation on December 13, 1988. The top of the perforations is at 3,532 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Canyon formation, said pool to bear the designation of Hackberry Hills-Canyon Gas Pool. Said Hackberry Hills-Canyon Gas Pool was discovered by the Mewbourne Oil Company Federal N Well No. 1 located in Unit M of Section 6, Township 22 South, Range 26 East, NMPM. It was completed in the Canyon formation on October 26, 1988. The top of the perforations is at 9,780 feet.

(7) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Yates formation, said pool to bear the designation of Parkway-Yates Pool. Said Parkway-Yates Pool was discovered by the Siete Oil and Gas Corporation Osage Federal Well No. 7 located in Unit K of Section 35, Township 19 South, Range 29 East, NMPM. It was completed in the Yates formation on February 14, 1989. The top of the perforations is at 1,434 feet.

(8) 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 South Poker Lake-Delaware Pool. Said South Poker Lake-Delaware Pool was discovered by the Charles B. Gillespie, Jr. Poker Lake Unit Well No. 70 located in Unit P of Section 28, Township 24 South, Range 31 East, NMPM. It was completed in the Delaware formation on January 26, 1989. The top of the perforations is at 6,738 feet.

(9) There is need for certain extensions to the East Burton Flat-Strawn Gas Pool, the East Carlsbad-Wolfcamp Gas Pool, the Cemetery-Morrow Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the Eagle Creek-Permo Pennsylvanian Gas Pool, the East Hess-Morrow Gas Pool, the East Herradura Bend-Delaware Pool, the High Lonesome-Queen Pool, the East Loving-Delaware Pool, the West Millman-Grayburg Pool, the Mosley Canyon-Strawn Gas Pool, the Parkway-Delaware Pool, the Penasco Draw-Morrow Gas Pool, the South Sand Dunes-Lower Pennsylvanian Gas Pool, the North Shugart-Morrow Gas Pool, and the Turkey Track-Bone Spring Pool, all in Eddy County, New Mexico, and the Foor Ranch-PrePermian Gas Pool, the South Pecos Slope-Abo Gas Pool, and the West Pecos Slope-Abo Gas Pool, all in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 19: S/2

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 14: NW/4

(c) A new pool in Chaves County, New Mexico, classified as a gas pool for Montoya production is hereby created and designated as the Comanche Spring-PrePermian Gas Pool,

consisting of the following described area:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 36: W/2

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 5: N/2

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 8: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 6: W/2

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 35: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 28: SE/4

(h) The East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 12: W/2

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 19: S/2
Section 20: S/2

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 10: S/2

(k) 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 20: NW/4

(l) The Eagle Creek-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 25: E/2

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 30: S/2

(m) The Foor Ranch-PrePermian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 36: All

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

TOWNSHIP 24 SOUTH, RANGE 23 EAST, NMPM
Section 2: All

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 34: NE/4
Section 35: W/2

(p) The High Lonesome-Queen 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 18: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 22: SE/4
Section 27: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 12: SE/4

(s) The Mosley Canyon-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM
Section 8: S/2
Section 17: N/2

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 35: NW/4

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(u) The South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 6: All

(v) The West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 5 SOUTH, RANGE 22 EAST, NMPM
Section 25: SE/4
Section 35: NW/4 and E/2
Section 36: N/2

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

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 35: S/2

(x) The South Sand Dunes-Lower Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 4: S/2
Section 9: All

(y) The North Shugart-Morrow Gas 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 9: S/2

(z) The Turkey Track-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

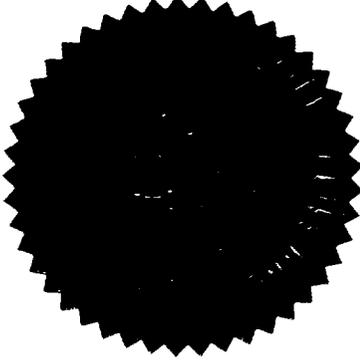
TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 26: SE/4

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.

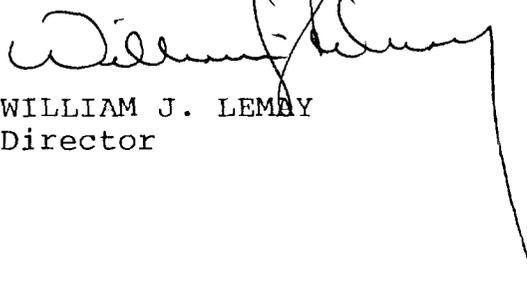
(2) The effective date of this order and all creations and extensions included herein shall be June 1, 1989.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMBY
Director

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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 9684
ORDER NO. R-8945-A

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

NUNC PRO TUNC ORDER

BY THE DIVISION:

It appearing to the Division that Order No. R-8945 dated May 31, 1989, does not correctly state the intended order of the Division,

IT IS THEREFORE ORDERED THAT:

(1) Finding Paragraph No. 6 on page 2 of said Division Order No. R-8945 be and the same is hereby amended to read as follows:

"(6) By Division Order No. R-3195, dated February 20, 1967, the Hackberry Hills-Canyon Gas Pool was classified and created for the production of gas from the Canyon formation. The Mewbourne Oil Company Federal "N" Well No. 1 located in Unit M of Section 6, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, which was completed in the Canyon formation on October 26, 1988 with the top perforations being 9,780 feet, is producing from the same common source of supply as the Hackberry Hills-Canyon Gas Pool which should therefore be extended to include the subject well."

(2) Decretory Paragraph (e) on page 4 of said Order No. R-8945 be and the same is hereby amended to read as follows:

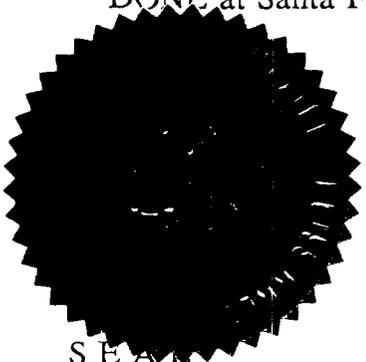
"(e) The Hackberry Hills-Canyon Gas Pool in Eddy County, New Mexico, as heretofore classified, defined and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 6: W/2"

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(3) The corrections set forth in this order be entered nunc pro tunc as of May 31, 1989.

DONE at Santa Fe, New Mexico, on this 2nd day of March, 1990.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

William J. Lemay
WILLIAM J. LEMAY
Director