

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. 10390
Order No. R-9585

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, CONTRACTING, 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 8:15 a.m. on September 19, 1991, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 30th day of September, 1991, 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 gas from the Atoka formation, said pool to bear the designation of Bootleg Ridge-Atoka Gas Pool. Said Bootleg Ridge-Atoka Gas Pool was discovered by the Pogo Producing Company NBR Well No. 1 located in Unit J of Section 18, Township 22 South, Range 33 East, NMPM. It was completed in the Atoka formation on July 17, 1991. The top of the perforations is at 13,921 feet.

(3) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Abo formation, said pool to bear the designation of Cedar Point-Abo Gas Pool. Said Cedar Point-Abo Gas Pool was discovered by the McClellan Oil Corporation McClellan A Federal Well No. 2 located in Unit H of Section 27, Township 15 South, Range 30 East, NMPM. It was completed in the Abo formation

on February 18, 1991. The top of the perforations is at 8,161 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Dos Amigos-Wolfcamp Pool. Said Dos Amigos-Wolfcamp Pool was discovered by the Harvey E. Yates Company Buckeye 12 State Well No. 1 located in Unit F of Section 12, Township 18 South, Range 35 East, NMPM. It was completed in the Wolfcamp formation on April 18, 1991. The top of the perforations is at 10,460 feet.

(5) 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 East Gem-Bone Spring Pool. Said East Gem-Bone Spring Pool was discovered by the Mitchell Energy Corporation Sapphire Federal Unit Well No. 1 located in Unit J of Section 23, Township 19 South, Range 33 East, NMPM. It was completed in the Bone Spring formation on April 6, 1991. The top of the perforations is at 9,250 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of East Gem-Delaware Pool. Said East Gem-Delaware Pool was discovered by the Mitchell Energy Corporation Sapphire Federal Unit Well No. 2 located in Unit C of Section 23, Township 19 South, Range 33 East, NMPM. It was completed in the Delaware formation on June 18, 1991. The top of the perforations is at 7,257 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of South Laguna Valley-Morrow Gas Pool. Said South Laguna Valley-Morrow Gas Pool was discovered by the BTA Oil Producers Aline 9012 JV-P Well No. 1 located in Unit G of Section 36, Township 20 South, Range 34 East, NMPM. It was completed in the Morrow formation on May 24, 1991. The top of the perforations is at 13,671 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Northeast Livingston Ridge-Delaware Pool. Said Northeast Livingston Ridge-Delaware Pool was discovered by the Yates Petroleum Corporation Rosemary AJB Federal Well No. 1

located in Unit L of Section 6, Township 22 South, Range 32 East, NMPM. It was completed in the Delaware formation on June 5, 1991. The top of the perforations is at 7,134 feet.

(9) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Pennsylvanian formation, said pool to bear the designation of North Nonombre-Upper Pennsylvanian Pool. Said North Nonombre-Upper Pennsylvanian Pool was discovered by the Yates Petroleum Corporation Fort AIO Well No. 1 located in Unit P of Section 20, Township 13 South, Range 34 East, NMPM. It was completed in the Pennsylvanian formation on June 28, 1991. The top of the perforations is at 10,828 feet.

(10) 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 East Pearl-Bone Spring Pool. Said East Pearl-Bone Spring Pool was discovered by the Nearburg Producing Company Perla Well No. 1 located in Unit J of Section 19, Township 19 South, Range 36 East, NMPM. It was completed in the Bone Spring formation on May 9, 1991. The top of the perforations is at 8,893 feet.

(11) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of North Skaggs-Abo Pool. Said North Skaggs-Abo Pool was discovered by the Long Trusts CBM Well No. 1 located in Unit P of Section 24, Township 19 South, Range 37 East, NMPM. It was completed in the Abo formation on April 26, 1991. The top of the perforations is at 7,412 feet.

(12) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Fusselman formation, said pool to bear the designation of North Teague-Fusselman Pool. Said North Teague-Fusselman Pool was discovered by the Texaco Exploration & Production Inc. B. F. Harrison B Well No. 3 located in Unit C of Section 9, Township 23 South, Range 37 East, NMPM. It was completed in the Fusselman formation on June 28, 1991. The top of the perforations is at 8,786 feet.

(13) There is need for the contraction of the Pearl-Seven Rivers Pool in Lea County, New Mexico, due to the completion of the Xeric Oil and Gas Company Texas State Well No. 1 located in Unit G of Section 36, Township 19 South, Range 34 East, NMPM, in the Seven Rivers formation. The deleted acreage will be placed in the South Pearl-Seven Rivers Gas Pool.

(14) There is need for the contraction of the Warren Blinebry-Tubb Oil and Gas Pool in Lea County, New Mexico, due to the completion of the Conoco Inc. Warren Unit Well No. 90 located in Unit B and Well No. 11 located in Unit A, both in Section 35, Township 20 South, Range 38 East, NMPM, in the Blinebry formation. The deleted acreage will be placed in the Blinebry Oil and Gas Pool.

(15) There is need for certain extensions to the Blinebry Oil and Gas Pool, the East Anderson Ranch-Pennsylvanian Pool, the North Bagley-Permo Pennsylvanian Pool, the Bilbrey-Morrow Gas Pool, the West Corbin-Delaware Pool, the South Corbin-Wolfcamp Pool, the East El Mar-Delaware Pool, the Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool, the Lea-San Andres Pool, the North Mason-Delaware Pool, the Nadine Drinkard-Abo Pool, the Oil Center-Glorieta Pool, the Ojo Chiso-Morrow Gas Pool, the Pearl-Queen Pool, the Pearl-Seven Rivers Pool, the South Pearl-Seven Rivers Gas Pool, the Rhodes Yates-Seven Rivers Gas Pool, the Salt Lake-Bone Spring Pool, the South Shoe Bar-Wolfcamp Pool, and the East Triste Draw-Atoka Gas Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 18: E/2

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

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 27: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 12: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 23: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 23: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 36: N/2

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 6: SW/4

(h) A new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production is hereby created and designated as the North Nonombre-Upper Pennsylvanian Pool, consisting of the following described area:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 20: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 19: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 24: SE/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 9: NW/4

(l) The Pearl-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 36: NE/4

(m) The South Pearl-Seven Rivers Gas 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 36: E/2

(n) The Warren Blinebry-Tubb Oil and Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 35: N/2 NE/4

(o) The Blinebry Oil and Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 35: N/2 NE/4

(p) The East Anderson Ranch-Pennsylvanian 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 2: Lots 9, 10, 11, 12, 13,
14, 15, and 16

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

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 5: S/2 SW/4

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 27: N/2

(s) The West Corbin-Delaware 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 10: SW/4
Section 15: W/2

(t) The South Corbin-Wolfcamp 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 24: NE/4

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 19: N/2

(u) The East El Mar-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM
Section 26: S/2

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

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 19: SW/4

Case No. 10390
Order No. R-9585

(w) The Lea-San Andres 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 25: NW/4

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

TOWNSHIP 26 SOUTH, RANGE 32 EAST, NMPM
Section 18: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 25: SW/4
Section 26: SE/4

(z) The Oil Center-Glorieta Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 10: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 26: N/2

(bb) 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 20: SE/4
Section 28: NW/4
Section 29: NE/4

(cc) The Pearl-Seven Rivers 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 25: SW/4

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

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 14: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 26: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 6: W/2

(gg) The East Triste Draw-Atoka Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 20: N/2 and SE/4

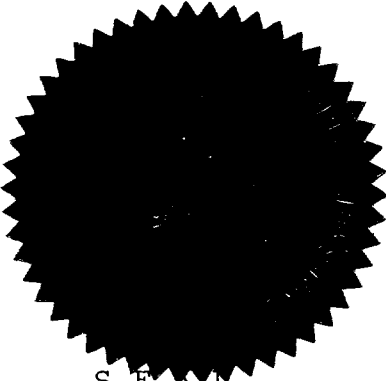
IT IS FURTHER ORDERED THAT:

(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, contractions, and extensions included herein shall be October 1, 1991.

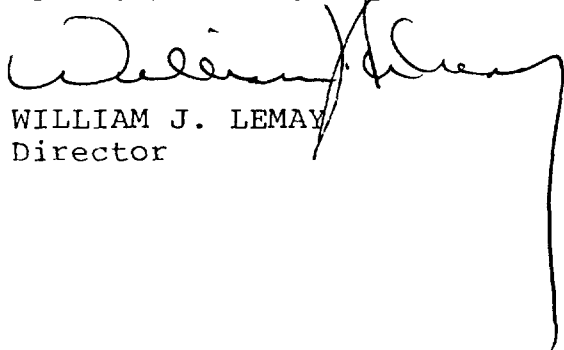
-10-
Case No. 10390
Order No. R-9585

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

fd/