

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. 10947
Order No. R-10091

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on March 17, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 28th day of March, 1994, 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 oil from the Silurian Devonian formation, said pool to bear the designation of Bar U-Devonian Pool. Said Bar U-Devonian Pool was discovered by the MW Petroleum Corporation State 10 Well No. 1 located in Unit B of Section 10, Township 9 South, Range 32 East, NMPM. It was completed in the Silurian Devonian formation on July 10, 1993. The top of the perforations is at 10,932 feet.

(3) 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 Brinninstool-Delaware Pool. Said Brinninstool-Delaware Pool was discovered by the Santa Fe Energy Operating Partners L.P. Tristle Unit Well No. 1 located in Unit C of Section 33, Township 23 South, Range 33 East, NMPM. It was completed in

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the Delaware formation on October 14, 1993. The top of the perforations is at 8,900 feet.

(4) 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 Dios Mano-Delaware Pool. Said Dios Mano-Delaware Pool was discovered by the Harvey E. Yates Company EKay 28 State Well No. 3 located in Unit O of Section 28, Township 18 South, Range 34 East, NMPM. It was completed in the Delaware formation on July 16, 1993. The top of the perforations is at 7,372 feet.

(5) 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 North Feather-Morrow Gas Pool. Said North Feather-Morrow Gas Pool was discovered by the H. L. Brown, Jr. North Feather State Unit Well No. 1 located in Unit H of Section 16, Township 15 South, Range 32 East, NMPM. It was completed in the Morrow formation on April 4, 1993. The top of the perforations is at 12,376 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 Mesa Verde-Delaware Pool. Said Mesa Verde-Delaware Pool was discovered by the Enron Oil and Gas Company Mesa Verde 6 Federal Well No. 2 located in Unit J of Section 6, Township 24 South, Range 32 East, NMPM. It was completed in the Delaware formation on September 28, 1993. The top of the perforations is at 8,194 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Saunders-San Andres Pool. Said Saunders-San Andres Pool was discovered by the Charles B. Gillespie, Jr. State Q Well No. 2 located in Unit K of Section 4, Township 15 South, Range 33 East, NMPM. It was completed in the San Andres formation on February 1, 1994. The top of the perforations is at 4,956 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of North Teague-San Andres Pool. Said North Teague-San Andres Pool was discovered by the Texaco Exploration and Production Inc. B. F. Harrison B Well No. 18 located in Unit D of Section 9, Township 23 South, Range 37 East, NMPM. It was completed in

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the San Andres formation on November 1, 1993. The top of the perforations is at 3,896 feet.

(9) There is need for the extension of the Antelope Ridge-Morrow Gas Pool, the Blinebry Oil and Gas Pool, the West Blinebry Pool, the Cline Lower Paddock-Blinebry Pool, the Cline-Tubb Pool, the South Corbin-Wolfcamp Pool, the Eumont Yates-Seven Rivers-Queen Pool, the Gem-Bone Spring Pool, the East Gem-Delaware Pool, the Geronimo-Delaware Pool, the Hare-San Andres Gas Pool, the Hat Mesa-Delaware Pool, the Southwest House-Seven Rivers Gas Pool, the Jalmat Tansill-Yates-Seven Rivers Gas Pool, the Justis Tubb-Drinkard Pool, the Southeast Lane-Abo Pool, the Lea-Bone Spring Pool, the Lea-Wolfcamp Gas Pool, the Northeast Livingston Ridge-Delaware Pool, the West Lovington-Strawn Pool, the Lusk-Delaware Pool, the Monument-Abo Pool, the Penrose Skelly-Grayburg Pool, the Red Tank-Bone Spring Pool, the East Red Tank-Bone Spring Pool, the West Red Tank-Delaware Pool, the South Salt Lake-Morrow Gas Pool, the South Sand Dunes-Bone Spring Pool, the East Saunders-Permo Pennsylvanian Pool, the Shoe Bar-Wolfcamp Pool, the Northwest Teague-Devonian Pool, the North Teague-Fusselman Pool, the Southwest Teague Glorieta-Upper Paddock Pool, the North Teague Lower Paddock-Blinebry Gas Pool, the West Teas Yates-Seven Rivers Pool, the West Tonto-Delaware Pool, the Mid Vacuum-Bone Spring Pool, and the Vacuum-Drinkard Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico, classified as an oil pool for Devonian production is hereby created and designated as the Bar U-Devonian Pool, consisting of the following described area:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 10: NE/4

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

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

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

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TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 28: SE/4

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

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 16: N/2

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

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 6: SE/4

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

TOWNSHIP 15 SOUTH, RANGE 33 EAST, NMPM
Section 4: SW/4

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

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

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 2: S/2

(i) The Blinebry Oil and Gas 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 17: SE/4

(j) The West Blinebry Pool in Lea County, New Mexico, as

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heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 3: N/2

(k) The Cline Lower Paddock-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 1: SW/4
Section 11: W/2 SE/4 and SE/4 SE/4
Section 12: N/2 NW/4 and SE/4 NW/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 1: SW/4
Section 12: W/2

(m) 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 25: N/2 and SW/4

(n) The Eumont Yates-Seven Rivers-Queen 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 6: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 4: W/2 and SE/4
Section 5: NE/4

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

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TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 14: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 31: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 10: SW/4
Section 15: NW/4

(s) The Hat Mesa-Delaware 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 5: NE/4

(t) The Southwest 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 38 EAST, NMPM
Section 11: SW/4

(u) The Jalmat Tansill-Yates-Seven Rivers Gas 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 19: SE/4

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

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 26: NW/4

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

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TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 15: SW/4

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

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

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

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 14: E/2

(z) The Northeast Livingston Ridge-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 5: W/2 and NE/4
Section 6: SE/4

(aa) The West Lovington-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 33: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 27: NW/4
Section 28: E/2

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

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 34: SE/4
Section 35: SW/4

(dd) The Penrose Skelly-Grayburg Pool in Lea County, New Mexico, as heretofore classified, defined, and described is

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hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 10: SW/4
Section 15: W/2
Section 26: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 27: SE/4
Section 35: NW/4

(ff) The East Red Tank-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 30: NW/4

(gg) The West Red Tank-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 23: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 28: W/2

(ii) The South Sand Dunes-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 30: NW/4

(jj) The East Saunders-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 4: SW/4
Section 9: NW/4

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 26: SW/4

(ll) The Northwest Teague-Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

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

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

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

(nn) The Southwest Teague Glorieta-Upper Paddock Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 8: NE/4

(oo) The North Teague Lower Paddock-Blinebry Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

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

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 4: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 7: SW/4

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(rr) The Mid Vacuum-Bone Spring 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 10: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 36: E/2

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 1: NE/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 6: NE/4

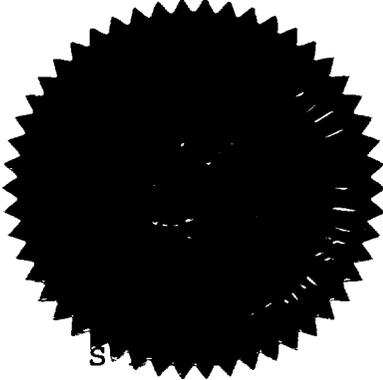
IT IS FURTHER ORDERED THAT:

(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.

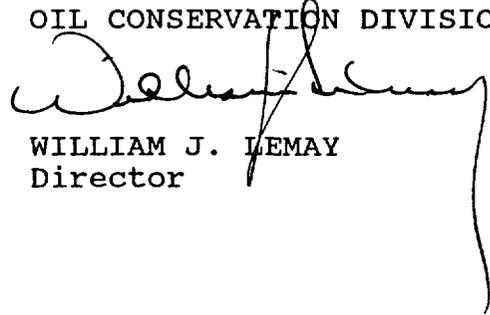
(2) The effective date of this order and all creations and extensions included herein shall be April 1, 1994.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "William J. Lemay". The signature is written in a cursive style and is positioned above the typed name and title.

WILLIAM J. LEMAY
Director

fd/