

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. 8424
Order No. R-7758

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 28, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 13th day of December, 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 Atoka formation, said pool to bear the designation of North Black River-Atoka Gas Pool. Said North Black River-Atoka Gas Pool was discovered by the Hamon Oil Company State L-4325 Well No. 1 located in Unit K of Section 2, Township 24 South, Range 26 East, NMPM. It was completed in the Atoka formation on August 29, 1984. The top of the perforations is at 10,556 feet.

(3) 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 North Willow Lake-Delaware Pool. Said North Willow Lake-Delaware Pool was discovered by the Ned Maddox Enfield

Federal Well No. 1 located in Unit P of Section 17, Township 24 South, Range 28 East, NMPM. It was completed in the Delaware formation on June 22, 1984. The top of the perforations is at 5,991 feet.

(4) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Red Lake Ridge-San Andres Pool. Said Red Lake Ridge-San Andres Pool was discovered by the Stevens Operating Corporation O'Brien R Well No. 1 located in Unit O of Section 21, Township 8 South, Range 29 East, NMPM. It was completed in the San Andres formation on September 14, 1984. The top of the perforations is at 2,869.5 feet.

(5) There is need for certain extensions to the East Avalon-Bone Spring Pool, the Brushy Draw-Delaware Pool, the Dublin Ranch-Atoka Gas Pool, the South Leo Seven Rivers-Queen-Grayburg-San Andres Pool, the Logan Draw-Cisco Canyon Gas Pool, the South Millman-Morrow Gas Pool, the Sheep Draw-Strawn Gas Pool, and the North Square Lake Grayburg-San Andres Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 2: S/2

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 17: SE/4

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

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 21: S/2

(d) The East Avalon-Bone Spring 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 2: Lots 9 through 16 and S/2

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

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 22: E/2

(f) The Dublin Ranch-Atoka Gas 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 35: W/2

(g) The South Leo 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 18 SOUTH, RANGE 29 EAST, NMPM
Section 36: NW/4 and S/2

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 1: N/2

(h) The Logan Draw-Cisco Canyon Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 30: All
Section 31: W/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 16: S/2

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

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 1: S/2
Section 12: N/2

(k) The North Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

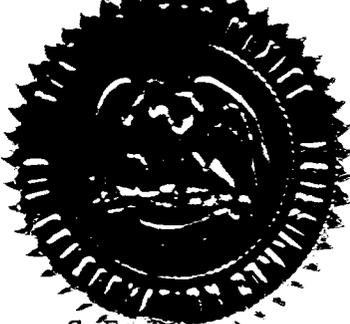
TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 9: S/2

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 January 1, 1985.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "R. L. Stamets", is written over the typed name.

R. L. STAMETS
Director