

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. 8931
Order No. R-8257

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 June 25, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of July, 1986, 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 Morrow formation, said pool to bear the designation of East Los Medanos-Morrow Gas Pool. Said East Los Medanos-Morrow Gas Pool was discovered by the Pogo Producing Company Federal Neff Well No. 1 located in Unit C of Section 25, Township 22 South, Range 31 East, NMPM. It was completed in the Morrow formation on April 19, 1986. The top of the perforations is at 14,460 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Saladar-Strawn Gas Pool. Said Saladar-Strawn Gas Pool was discovered by the Yates Petroleum Corporation Stonewall EP State Com Well No. 4 located in Unit H of Section 30,

Township 20 South, Range 28 East, NMPM. It was completed in the Strawn formation on April 10, 1986. The top of the perforations is at 10,126 feet.

(4) There is need for certain extensions to the Brushy Draw-Delaware Pool, the North Hackberry Yates-Seven Rivers Pool, the High Lonesome-Queen Pool, the West Millman-Grayburg Pool, the Otis-Morrow Gas Pool, the Red Lake Queen-Grayburg-San Andres Pool, the Ross Draw-Wolfcamp Gas Pool, the Scoggin Draw-Atoka Gas Pool, and the Shugart Yates-Seven Rivers-Queen-Grayburg Pool, all in Eddy County, New Mexico, and the Diablo-San Andres Pool in Chaves County, New Mexico.

(5) The effective date of this order and all creations and extensions included herein should be July 1, 1986.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 25: N/2

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 30: E/2

(c) 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 13: NE/4

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

(d) 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 21: SE/4

(e) The North Hackberry Yates-Seven Rivers Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 22: NW/4

(f) 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 23: E/2
Section 26: NE/4

(g) 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 14: NE/4

(h) 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 25: W/2
Section 26: E/2

(i) The Red Lake Queen-Grayburg-San Andres 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 12: SE/4

(j) The Ross Draw-Wolfcamp Gas 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: N/2

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

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 9: N/2
Section 10: N/2

(l) 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:

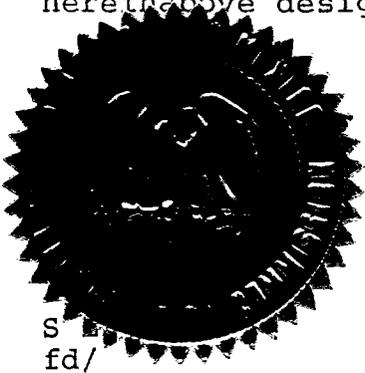
TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 35: NW/4

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 July 1, 1986.

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
acting Director

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