

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. 13443
Order No. R-12309

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING AND
CONTRACTING AND EXTENDING THE HORIZONTAL
LIMITS OF CERTAIN POOLS IN **CHAVES** AND **EDDY**
COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 3, 2005, at Santa Fe, New Mexico, before Examiner Richard I. **Ezeanyim**.

NOW, on this 17th day of March, 2005, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) There is need for the creation of a new pool in Chaves County, New Mexico for the production of oil from the **Siluro-Devonian** formation, bearing the designation of Lloyd's **Canyon-Siluro-Devonian** Pool (Pool Code 97420). The Lloyd's **Canyon-Siluro-Devonian** Pool was discovered by the Yates Petroleum Corporation Boffin State Unit Well No. 1 (**API** No. 30-005-63684) located in Unit J of Section 16, Township 9 South, Range 27 East, **NMPM**, which was completed in the Siluro-Devonian formation on December 6, 2004. The top of the perforations is at 6,390 feet.

(3) There is need for the creation of a new pool in Chaves County, New Mexico for the production of gas from the **Pennsylvanian** formation, bearing the designation of Lost **Lake-Pennsylvanian** Gas Pool (Pool Code 97419). The Lost **Lake-Pennsylvanian** Gas Pool was discovered by the Yates Petroleum Corporation Selden

“BDN” Com. Well No. 1 (API No. 30-005-63600) located in Unit H of Section 35, Township 9 South, Range 24 East, **NMPM**, which was completed in the **Pennsylvanian** formation on January 1, 2005. The top of the perforations is at 4,640 feet.

(4) There is need for the creation of a new pool in Chaves County, New Mexico for the production of gas from the Abo formation, bearing the designation of Sand **Draw-Abo** Gas Pool (Pool Code 97418). The Sand **Draw-Abo** Gas Pool was discovered by the Yates Petroleum Corporation Football “**BCF**” Federal Well No. 1 (API No. 30-005-63603) located in Unit N of Section 1, Township 12 South, Range 26 East, **NMPM**, which was completed in the Abo formation on May 14, 2004. The top of the perforations is at 4,908 feet.

(5) There is need for the contraction of the Winchester-Morrow Gas Pool (Pool Code 87600) in Eddy County, New Mexico in order to correct nomenclature. The deleted acreage will be placed in the **Angell Ranch-Atoka-Morrow** Gas Pool (Pool Code 70310).

(6) There is need for extensions to the **Alacran Hills-Wolfcamp** Gas Pool, the **Angell Ranch-Atoka-Morrow** Gas Pool, the **Avalon-Morrow** Gas Pool, the **Burton Flat-Morrow** Gas Pool, the **South Carlsbad-Morrow** Gas Pool, the **Cottonwood Draw-Morrow** Gas Pool, the **Crow Flats-Atoka** Gas Pool, the **Dog Canyon-Strawn** Gas Pool, the **South Empire-Morrow** Gas Pool, the **East Empire-Yates-Seven Rivers** Pool, the **Four Mile Draw-Morrow** Gas Pool, the **Ingle Wells-Delaware** Pool, the **Otis-Morrow** Gas Pool, the **Pecos River-Morrow** Gas Pool, the **Penasco Draw-Permo-Pennsylvanian** Gas Pool, the **Poker Lake-Delaware** Pool, the **North Shugart-Bone** Spring Pool, and the **Southwest Willow Lake-Delaware** Pool; and the **Foor Ranch-Wolfcamp** Gas Pool and the **Pecos Slope-Abo** Gas Pool, both in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Chaves County, New Mexico classified as an oil pool for Siluro-Devonian production is hereby created and designated as the **Lloyd's Canyon-Siluro-Devonian** Pool (Pool Code 97420), consisting of the following described area:

TOWNSHIP 9 SOUTH. RANGE 27 EAST. NMPM
Section 16: SE/4

(b) A new pool in Chaves County, New Mexico classified as a gas pool for Pennsylvanian production is hereby created and designated as the **Lost Lake-Pennsylvanian** Gas Pool (Pool Code 97419), consisting of the following described area:

TOWNSHIP 9 SOUTH. RANGE 24 EAST. NMPM
Section 35: N/2

(c) A new pool in Chaves County, New Mexico classified as a gas pool for Abo production is hereby created and designated as the Sand **Draw-Abo** Gas Pool (Pool Code 97418), consisting of the following described area:

TOWNSHIP 12 SOUTH. RANGE 26 EAST. NMPM
Section 1: SW/4

(d) The Winchester-Morrow Gas Pool (Pool Code 87600) in Eddy County, New Mexico, is hereby contracted by the deletion of the following described area:

TOWNSHIP 19 SOUTH. RANGE 28 EAST. NMPM
Section 32: N/2

(e) The Angell Ranch-Atoka-Morrow Gas Pool (Pool Code 70310) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH. RANGE 28 EAST. NMPM
Section 32: N/2

(f) The **Alacran Hills-Wolfcamp** Gas Pool (Pool Code 70070) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH. RANGE 27 EAST. NMPM
Section 11: SE/4
Section 14: E/2

(g) The **Avalon-Morrow** Gas Pool (Pool Code 70920) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 20 SOUTH. RANGE 27 EAST. NMPM
Section 30: All

(h) The Burton Flat-Morrow Gas Pool (Pool Code 73280) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 21 SOUTH. RANGE 27 EAST. NMPM
Section 1: Lots 1 through 16

(i) The South Carlsbad-Morrow Gas Pool (Pool Code 73960) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH. RANGE 26 EAST. NMPM
Section 6: SE/4
Section 7: E/2

(j) The Cottonwood Draw-Morrow Gas Pool (**Pool Code 97377**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM

Section 25: NW/4

Section 26: N/2 and SW/4

Section 27: S/2

(k) The Crow **Flats-Atoka** Gas Pool (**Pool Code 97312**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 1: All

(l) The Dog **Canyon-Strawn** Gas Pool (**Pool Code 76075**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 7: N/2

(m) The South Empire-Morrow Gas Pool (**Pool Code 76400**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 2: All

(n) The East Empire-Yates-Seven Rivers Pool (**Pool Code 22260**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 21: SW/4

(o) The **Foor Ranch-Wolfcamp** Gas Pool (**Pool Code 76750**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 9 SOUTH, RANGE 25 EAST, NMPM

Section 25: SE/4

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 30: W/2

Section 31: W/2

(p) The Four Mile Draw-Morrow Gas Pool (**Pool Code 76960**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH. RANGE 26 EAST. NMPM

Section 10: SE/4

Section 15: E/2

(q) The Ingle Wells-Delaware Pool (**Pool Code 33745**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 23 SOUTH. RANGE 31 EAST. NMPM

Section 22: SW/4

Section 27: N/2

(r) The Otis-Morrow Gas Pool (**Pool Code 82360**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 22 SOUTH. RANGE 27 EAST. NMPM

Section 14: W/2

(s) The Pecos River-Morrow Gas Pool (**Pool Code 97375**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH. RANGE 26 EAST. NMPM

Section 14: E/2

(t) The Pecos Slope-Abo Gas Pool (**Pool Code 82730**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 9 SOUTH. RANGE 24 EAST. NMPM

Section 35: NE/4

(u) The Penasco Draw-Permo-Pennsylvanian Gas Pool (**Pool Code 82775**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH. RANGE 24 EAST. NMPM

Section 9: W/2

(v) The Poker Lake-Delaware Pool (**Pool Code 50382**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 24 SOUTH. RANGE 31 EAST. NMPM

Section 18: E/2

(w) The North Shugart-Bone Spring Pool (**Pool Code 56405**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 18 SOUTH. RANGE 30 EAST. NMPM

Section 13: SE/4

(x) The Southwest Willow Lake-Delaware Pool (**Pool Code** 96855) in Eddy County, New Mexico is hereby extended to include:

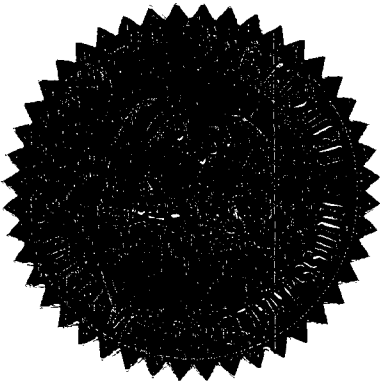
TOWNSHIP 25 SOUTH. RANGE 28 EAST. NMPM
Section 15: NE/4

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that 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 that 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations and contractions and extensions of horizontal limits shall be April 1, 2005.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.
Director