

Case Number
4218

Application

Transcripts

Small Exhibits

ETC.

dearnley-meier
SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 17, 1969

REGULAR HEARING

IN THE MATTER OF:

Southeastern nomenclature case
calling for an order for the
creation and extension of
certain pools in Lea, Eddy,
and Chaves Counties, New Mexico.

Case No.

4218

BEFORE: Mr. A. L. (Pete) Porter, Secretary

TRANSCRIPT OF HEARING

MR. PORTER: Case 4218.

MR. HATCH: Case 4218. Southeastern nomenclature case calling for an order for the creation and extension of certain pools in Lea, Eddy and Chaves Counties, New Mexico.

(Witness sworn.)

JOE D. RAMEY

the witness, having first been duly sworn upon his oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. HATCH:

Q. State your name and position for the record, please?

A. Joe D. Ramey, supervisor for the Commission's District One.

Q. Are you prepared to make recommendations to the Commission concerning the creation and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico?

A. Yes, I am.

Q. Are your recommendations prepared in the form of an exhibit?

A. Yes, this is labeled southeast New Mexico nomenclature,

Exhibit One, paragraphs A through J.

Q. Would you refer to paragraphs A and B of the exhibit and make recommendations concerning the creation of those two pools in the assignment of oil discovery allowables for the two discovery pools?

A. Yes, sir.

Paragraph A, it is recommended that a new oil pool be created and designated as the Spencer-San Andres Pool -- the vertical limits to be the San Andres formation and horizontal limits as shown in paragraph A in the docket and in the exhibits, the discovery well was the Aztec Oil and Gas Company, State D. S. Number One, located in Unit N in Section 24, Township 17 south, Range 36 east.

The well was completed on July 20, 1969 and the top of the perforations is at four thousand nine hundred eighty-eight feet.

It is further recommended that this well be assigned the bonus allowable of twenty-four thousand nine hundred forty barrels of oil.

Paragraph B; it is recommended that a new oil pool be created and designated as the Esperanza-Delaware Pool -- the vertical limits to be the Delaware formation

and the horizontal limits, as it shown in paragraph B.

The discovery well was the Union Oil Company of California, Tracy Number One, located in Unit C, Section 10 south, Range 22, township -- Section 10, Township 22 south, Range 37 east -- or rather 27 east. And it was completed on August 3rd, 1969.

Top of the perforations is at three thousand four hundred seventeen feet.

It is recommended that this well be assigned the bonus allowable of seventeen thousand eighty-five barrels of oil.

Q. Would you refer to paragraph C through J of the docket in your exhibit, and point out any corrections that you think need to be made --

A. In paragraph E, I have an addition -- in Township 14 south, Range 30 east, Section 31, the south half of the northwest quarter, and the north half of the southwest quarter.

In paragraph G, I have an addition in Township 19 south, Range 34 east, Section 11, in the southwest quarter.

The remainder is as shown on the docket.

Q. Do you recommend to the Commission that the

pools in paragraphs C through J be extended as shown on the docket as you have corrected them at this hearing?

A. Yes, sir, I do.

Q. Was Exhibit One prepared by you or someone under your supervision?

A. Yes, it was.

MR. HATCH: We move the introduction of Exhibit One.

MR. PORTER: Without objection, the exhibit will be admitted.

(WHEREUPON, Exhibit One was duly admitted.)

MR. PORTER: Does anyone have anything further to offer in this case?

The witness may be excused.

Does anyone have anything further in this case?

The case will be taken under advisement.

(WHEREUPON, a discussion was held off the record.)

MR. PORTER: The Commission has one more case on the docket, Case 4219, which refers to an Examiner for hearing later in the day, provided that the principals in the case show up.

If not, some other disposition will be made in the case at a later time, so we at this time will adjourn

the regular hearing.

I N D E XPage

The Witness - JOE D. RAMEY

Direct Examination by Mr. Hatch

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E X H I B I T SAdmitted

Exhibit One

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dearnley-meier reporting services, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
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1400 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, CA FENLEY, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.



CA FENLEY - COURT REPORTER

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 4218
Order No. R-3843

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 17, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 24th day of September, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Spencer-San Andres Pool. Further, that the discovery well for said pool, the Aztec Oil & Gas Company State "DS" Well No. 1, located in Unit N of said Section 24, Township 17 South, Range 36 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 24,940 barrels to be assigned over a two-year period. Said discovery well was completed in the San Andres formation on July 20, 1969. The top of the perforations is at 4988 feet.

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CASE No. 4218

Order No. R-3843

(3) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Esperanza-Delaware Pool. Further, that the discovery well for said pool, the Union Oil Company of California Tracy Well No. 1, located in Unit C of Section 10, Township 22 South, Range 27 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 17,085 barrels to be assigned over a two-year period. Said discovery well was completed in the Cherry Canyon formation on August 3, 1969. The top of the perforations is at 3417 feet.

(4) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Bagley-Wolfcamp Pool. Said Bagley-Wolfcamp Pool was discovered by the Sam Boren Andover Federal Well No. 1, located in Unit M of Section 19, Township 11 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on March 31, 1969. The top of the perforations is at 8640 feet.

(5) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of South Bronco-San Andres Pool. Said South Bronco-San Andres Pool was discovered by the Signal Oil & Gas Company Lowe Land Well No. 1, located in Unit L of Section 35, Township 13 South, Range 38 East, NMPM. It was completed in the San Andres formation on June 17, 1969. The top of the perforations is at 5310 feet.

(6) That there is need for certain extensions to the Double L-Queen Pool in Chaves County, New Mexico, the Shugart Pool in Eddy County, New Mexico, the Hardy-Blinebry Pool, the Quail-Queen Pool, the Scarborough Yates-Seven Rivers Pool, and the Weir-Blinebry Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 24: SE/4 SW/4

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CASE No. 4218
Order No. R-3843

(a) Continued from Page 2 -

That the discovery well for said pool, Aztec Oil & Gas Company's State "DS" Well No. 1, located in Unit N of Section 24, Township 17 South, Range 36 East, NMPM, is hereby authorized an oil discovery allowable of 24,940 barrels to be assigned to said well at the rate of 35 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

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

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 10: NE/4 NW/4

That the discovery well for said pool, Union Oil Company of California's Tracy Well No. 1, located in Unit C of Section 10, Township 22 South, Range 27 East, NMPM, is hereby authorized an oil discovery allowable of 17,085 barrels to be assigned to said well at the rate of 24 barrels per day in accordance with Rule 509 of the Commission Rules and Regulations.

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

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 19: SW/4

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

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 35: SW/4

(e) That the Double L-Queen Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
Section 36: SW/4 NE/4 and N/2 SE/4

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Order No. R-3843

(e) Continued from Page 3 -

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 31: S/2 NW/4 and N/2 SW/4

(f) That the Hardy-Blinebry 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 2: NE/4

(g) That the Quail-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 11: W/2

(h) That the Scarborough Yates-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
Section 25: NE/4

(i) That the Shugart Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 23: SW/4 NW/4

(j) That the Weir-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 10: NE/4

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue

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CASE No. 4218
Order No. R-3843

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 Commission. 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 Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations and extensions included herein shall be October 1, 1969.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



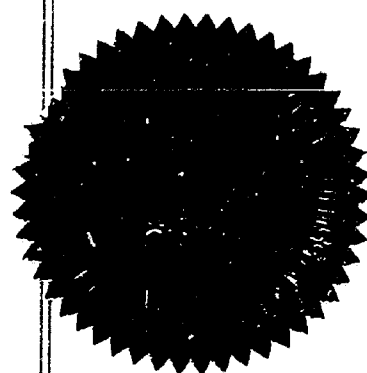
DAVID F. CARGO, Chairman



ALEX J. ARMIJO, Member



A. L. PORTER, Jr., Member & Secretary



esr/

Docket No. 26-69

DOCKET: REGULAR HEARING - WEDNESDAY - SEPTEMBER 17, 1969

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

ALLOWABLE: (1) Consideration of the oil allowable for October, 1969;

(2) Consideration of the allowable production of gas for October, 1969, from fifteen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico. Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba and Sandoval Counties, New Mexico, for October, 1969.

CASE 4218: Southeastern nomenclature case calling for an order for the creation and extension of certain pools in Lea, Eddy and Chaves Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Spencer-San Andres Pool comprising the following:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 24: SE/4 SW/4

Further, for the assignment of approximately 24,940 barrels of oil discovery allowable to the discovery well Aztec Oil & Gas Company's State "DS" Well No. 1 located in Unit N of said Section 24. *Aug 20, 69*

(b) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Esperanza-Delaware Pool comprising the following:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 10: NE/4 NW/4

Further, for the assignment of approximately 17,085 barrels of oil discovery allowable to the discovery well Union Oil Company of California's Tracy Well No. 1 located in Unit C of said Section 10. *Aug 20, 69*

(c) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Bagley-Wolfcamp Pool. The discovery well is the Sam Boren Andover Federal No. 1 located in Unit M of Section 19, Township 11 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 19: SW/4

(d) Create a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the South Bronco-San Andres Pool. The discovery well is the Signal Oil & Gas Company Lowe Land No. 1 located in Unit L of Section 35, Township 13 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 35: SW/4

September 17, 1969 - Regular Hearing
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(Case 4218 continued)

(e) Extend the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM

SECTION 36: SW/4 NE/4 and N/2 SE/4

Township 14 South, Range 30 East, NMPM Sec 31: S/2 NW/4 N/2 SW/4

(f) Extend the Hardy-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

SECTION 2: NE/4

(g) Extend the Quail-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

SECTION 11: NW/4

Section 11: SW/4

(h) Extend the Scarborough Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM

SECTION 25: NE/4

(i) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

SECTION 23: SW/4 NW/4

(j) Extend the Weir-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

SECTION 10: NE/4

CASE 4219:

Application of Yates Petroleum Corporation for amendment of Order No. R-3609, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3609, to permit the disposal of produced salt water into the San Andres formation in two wells located in Section 25, Township 18 South, Range 25 East, Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, as follows:

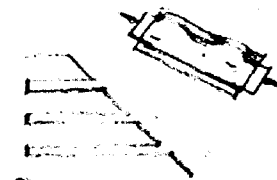
Docket No. 26-69

September 17, 1969 - Regular Hearing
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(Case 4219 continued)

A. W. Gerard Well No. 2, Unit J of Section 25;
disposal interval 1316 feet to 1459 feet;

Wilkinson Well No. 2, Unit M of Section 25;
disposal interval 1378 feet to 1440 feet.



300

Docket No. 26-69

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CASE 4218: Southeastern nomenclature case calling for an order for the creation and extension of certain pools in Lea, Eddy and Chaves Counties, New Mexico.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Spencer-San Andres Pool comprising the following:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 24: SE/4 SW/4

Further, for the assignment of approximately 24,940 barrels of oil discovery allowable to the discovery well Aztec Oil & Gas Company's State "DS" Well No. 1 located in Unit N of said Section 24.

(b) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Esperanza-Delaware Pool comprising the following:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 10: NE/4 NW/4

Further, for the assignment of approximately 17,085 barrels of oil discovery allowable to the discovery well Union Oil Company of California's Tracy Well No. 1 located in Unit C of said Section 10.

(c) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Bagley-Wolfcamp Pool. The discovery well is the Sam Boren Andover Federal No. 1 located in Unit M of Section 19, Township 11 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
Section 19: SW/4

(d) Create a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the South Bronco-San Andres Pool. The discovery well is the Signal Oil & Gas Company Lowe Land No. 1 located in Unit L of Section 35, Township 13 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 35: SW/4

September 17, 1969 - Regular Hearing
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(Case 4218 continued)

(e) Extend the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
SECTION 36: SW/4 NE/4 and N/2 SE/4

(f) Extend the Hardy-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SECTION 2: NE/4

(g) Extend the Quail-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
SECTION 11: NW/4

(h) Extend the Scarborough Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
SECTION 25: NE/4

(i) Extend the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
SECTION 23: SW/4 NW/4

(j) Extend the Weir-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SECTION 10: NE/4

CASE 4219:

Application of Yates Petroleum Corporation for amendment of Order No. R-3609, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3609, to permit the disposal of produced salt water into the San Andres formation in two wells located in Section 25, Township 18 South, Range 25 East, Penasco Draw San Andres-Yesc Pool, Eddy County, New Mexico, as follows:

Docket No. 26-69

September 17, 1969 - Regular Hearing

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(Case 4219 continued)

A. W. Gerard Well No. 2, Unit J of Section 25;
disposal interval 1316 feet to 1459 feet;

Wilkinson Well No. 2, Unit M of Section 25;
disposal interval 1378 feet to 1440 feet.

CASE 4218: (a) CREATION OF A NEW OIL POOL

County LEA Pool SPENCER-SAN ANDRES

TOWNSHIP	17 South	Range	36 East	NMPM	
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: One completed oil well capable of producing.

AZTEC OIL & GAS COMPANY - State "DS" #1 in Unit N of Section 24-17-36.

Completed in San Andres on July 20, 1969. Top of Perforations 4988'.

Proposed pool boundary colored in red. SECTION 24: SE/4 SW/4

CASE 4218: (b) CREATION OF A NEW OIL POOL

COUNTY	Eddy	POOL	Esperanza-Delaware
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TOWNSHIP 22S RANGE 27E NMPM

A 6x6 grid with numbers 1-12 in the top row, 13-24 in the middle rows, and 25-36 in the bottom row. A small square is highlighted in the cell at row 2, column 4.

Purpose: One completed oil well capable of producing.

Discovery well: Union Oil Co. of California, Tracy well No.1
in unit C of Section 10-22-27. Completed in Cherry Canyon August
3, 1969, through perforations 3417' to 3424'.

Proposed pool boundary colored in green. Section 10: NE/4 NW/4

CASE 4218: (c) CREATION OF A NEW OIL POOL

County LEA Pool BAGLEY-WOLFCAMP

TOWNSHIP		11 South		Range		33 East		NMPM	
6	5	4	3	2	1				
7	8	9	10	11	12				
18	17	16	15	14	13				
19	20	21	22	23	24				
30	29	28	27	26	25				
31	32	33	34	35	36				

PURPOSE: One completed oil well capable of producing.
 SAM BOREN - Andover Federal #1 in Unit M of Section 19-11-33. Completed
 in Wolfcamp on March 31, 1969. Top of Perforations 8640'.
 Proposed pool boundary colored in red. SECTION 19: SW/4

CASE 4218: (d) CREATION OF A NEW OIL POOL

County LEA Pool SOUTH BRONCO-SAN ANDRES

TOWNSHIP		13 South		Range		38 East		NMPM	
6		5		4		3		2	1
7		8		9		10		11	12
18		17		16		15		14	13
19		20		21		22		23	24
30		29		28		27		26	25
31		32		33		34		35	36

PURPOSE: One completed oil well capable of producing.

SIGNAL OIL & GAS COMPANY - Lowe Land #1 in Unit L of Section 35-13-38.

Completed in San Andres on June 17, 1969. Top of Perforations 5310'.

Proposed pool boundary colored in red. SECTION 35: SW/4

CASE 4218: (e) EXTENSION OF AN EXISTING OIL POOL (Continued on next page)

COUNTY	Chaves	POOL	Double L-Queen
TOWNSHIP	14S	RANGE	29E NMPM
6	5	4	3 2 1
7	8	9	10 11 12
18	17	16	15 14 13
19	20	21	22 23 24
30	29	28	27 26 25
31	32	33	34 35 36

Purpose: Two completed oil wells capable of producing.

Dalport Oil Corp. Spurck State well No.3 in unit I of section 36-14-29. Completed in Queen July 8, 1969, through perforations 1931' to 1941'.

Dalport Oil Corp. Spurck State well No.4 in unit G of Section 36-14-29. Completed in Queen July 13, 1969, through perforations 1916' to 1925'.

Pool boundary colored in red.

Proposed extension colored in green. Section 36: SW/4 NE/4 & N/2 SE/4

CASE 4218: (e) EXTENSION OF AN EXISTING OIL POOL (Continued)

County CHAVES Pool DOUBLE L-QUEEN

TOWNSHIP 14 South Range 30 East NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

PURPOSE: As stated on preceding page, paragraph (e), Exhibit I.

ADDITION--DALPORT OIL CORPORATION - Amco Federal #1 in Unit L of Section 31-14-30. Completed in Queen on August 7, 1969. Top of Perforations 1961.5'.

ADDITION--DALPORT OIL CORPORATION - Amco Federal #2 in Unit E of Section 31-14-30. Completed in Queen on August 24, 1969. Top of Perforations 1970'.

Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 31: S/2 NW/4 and N/2 SW/4

CASE 4218: (f) EXTENSION OF AN EXISTING OIL POOL

County LEA Pool HARDY-BLINEBRY

TOWNSHIP 21 South						Range 36 East						NMPM					
6	5	4	3	2	1												
7	8	9	10	11	12												
18	17	16	15	14	13												
19	20	21	22	23	24												
30	29	28	27	26	25												
31	32	33	34	35	36												

PURPOSE: One completed oil well capable of producing.

PAN AMERICAN PETROLEUM CORPORATION - State "C" Tr. 11 #4 in Unit Q of Section 2-21-36. Completed in Blinebry on July 9, 1969. Top of Perforations 5735'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 2: NE/4

CASE 4218: (g) EXTENSION OF AN EXISTING OIL POOL

County LEA Pool QUAIL-QUEEN

TOWNSHIP		19 South		Range		34 East		NMPM	
6	5	4	3	2	1				
7	8	9	10	11	12				
18	17	16	15	14	13				
19	20	21	22	23	24				
30	29	28	27	26	25				
31	32	33	34	35	36				

PURPOSE: One completed oil well capable of producing.

CHARLES B. READ - State #1 in Unit F of Section 11-19-34. Completed in Penrose on June 5, 1969. Top of Perforations 5002'.

ADDITION--CHARLES B. READ - State "C" #1 in Unit K of Section 11-19-34.

Completed in Penrose on September 1, 1969. Top of Perforations 4783'.

Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 11: NW/4

ADDITION--SECTION 11: SW/4

CASE 4218: (h) EXTENSION OF AN EXISTING OIL POOL

County LEA Pool SCARBOROUGH YATES-SEVEN RIVERS

TOWNSHIP - 26 South		Range 36 East		NMPM	
6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

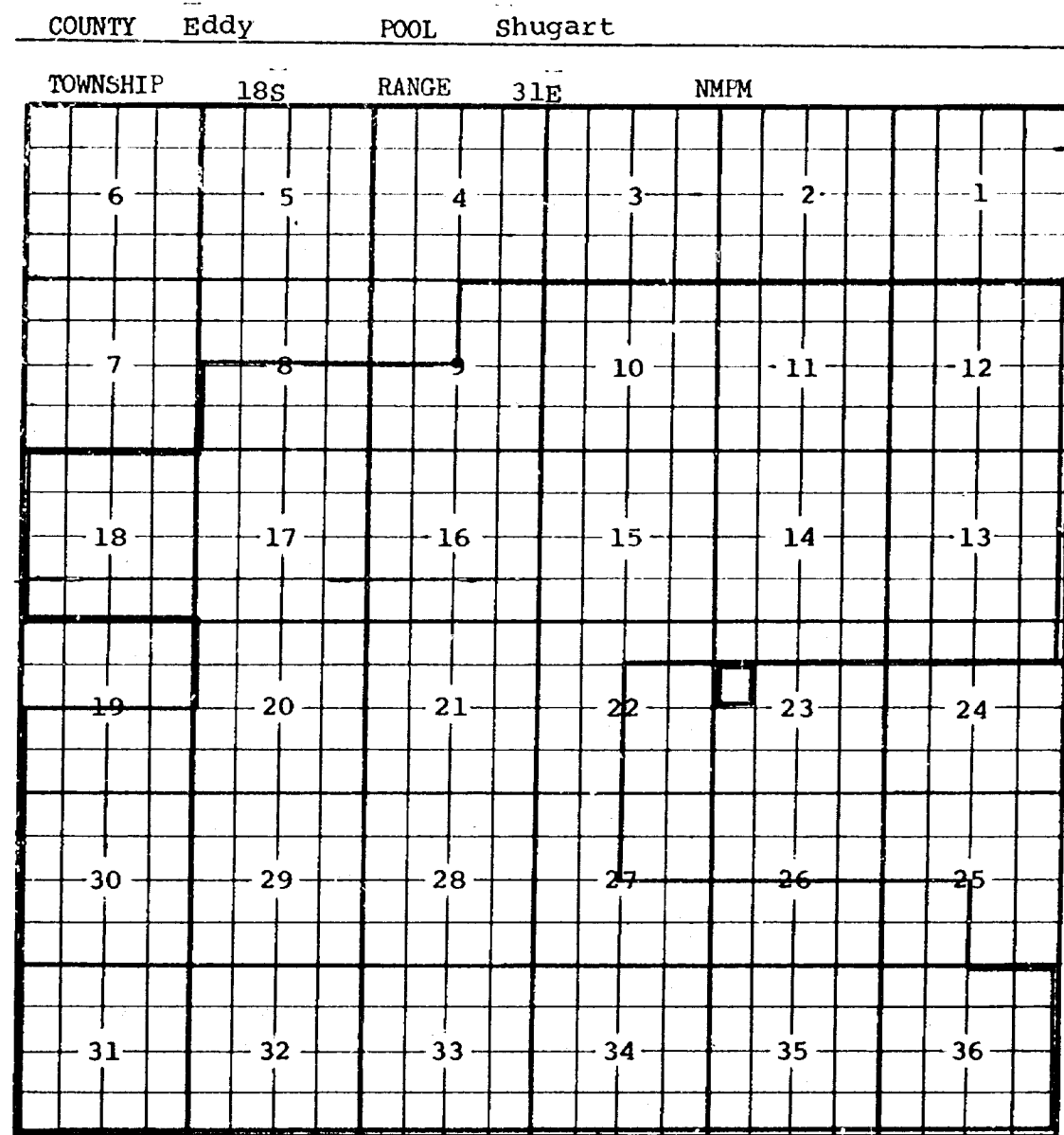
PURPOSE: One completed oil well capable of producing.

CONTINENTAL OIL COMPANY - McCallister "A" #5 in Unit A of Section 25-26-36. Completed in Yates on July 1, 1969. Top of Perforations 3243'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 25: NE/4

CASE 4218: (i) EXTENSION OF AN EXISTING OIL POOL



Purpose: One completed oil well capable of producing.

Atlantic Richfield Co. Panco Federal well No.3 in unit E of Section 23-18-31. Completed in Queen July 4, 1969, through perforations 3397' to 3409'.

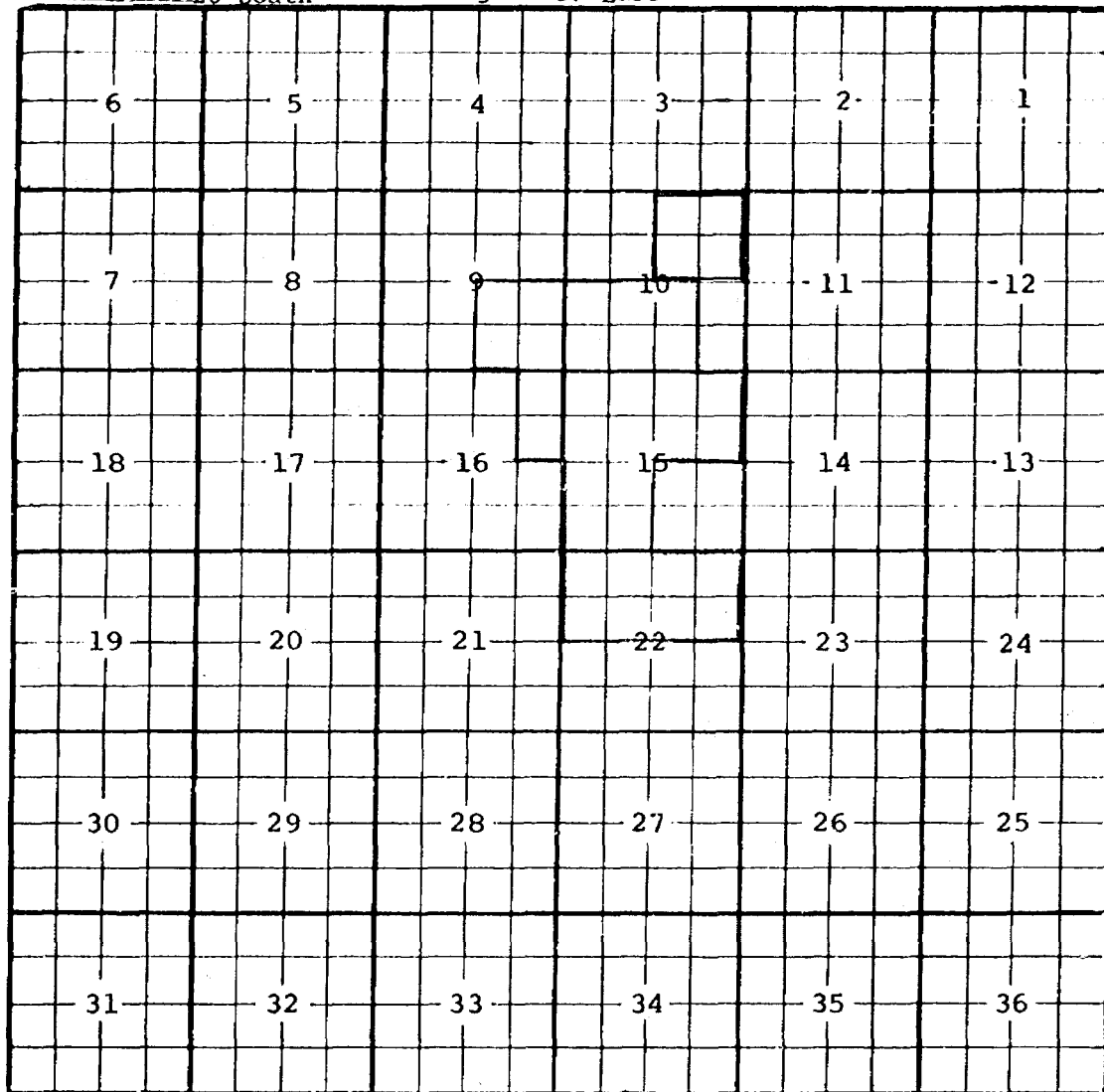
Pool boundary colored in red.

Proposed extension colored in green. Section 23: SW/4 NW/4

CASE 4218: (j) EXTENSION OF AN EXISTING OIL POOL

County LEA Pool WEIR-BLINEBRY

TOWNSHIP 20 South Range 37 East NMPM



PURPOSE: One completed oil well capable of producing.

TEXACO, INC. - E. H. B. Phillips "C" #1 in Unit A of Section 10-20-37.

Completed in Blinebry on June 7, 1969. Top of Perforations 5827'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 10: NE/4

Nomenclature for September, 1969

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Spencer - San Andres Pool comprising the following:

Township 17 South, Range 36 East, NMPM.

Section 24: SE 1/4 SW 1/4

Further, for the assignment of approximately 24,940 barrels of oil discovery allowable to the discovery well Aztec Oil & Gas Company's State "DS" Well No. 1 located in Unit N of said Section 24.

(b) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Esperanza - Delaware Pool comprising the following:

Township 22 South, Range 27 East, NMPM.

Section 10: NE 1/4 NW 1/4

Further, for the assignment of approximately 17,085 barrels of oil discovery allowable to the discovery well Union Oil Company of California's Tracy Well No. 1 located in Unit C of said Section 10.

Township South, Range East, NMPM

County Pool

NOMENCLATURE ADVERTISEMENT FOR SEPTEMBER, 1969
CASE _____

In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the creation of new pools in Lea County, New Mexico, and the extension of certain existing pools in Chaves, Eddy, and Lea Counties, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such creations and extensions should not be made.

- c) a) CREATE A new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Bagley-Wolfcamp Pool. The discovery well is Sam Boren, Andover Federal No. 1 located in Unit M of Section 19, Township 11 South, Range 33 East, NMPM. Said pool ~~described as~~ *would comply:*

✓ TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 19: SW/4

- d) b) CREATE A new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the South Bronco-San Andres Pool. The discovery well is Signal Oil & Gas Company, Lowe Land No. 1 located in Unit L of Section 35, Township 13 South, Range 38 East, NMPM. Said pool ~~described as~~ *would comply:*

✓ TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
SECTION 35: SW/4

- e) c) EXTEND the Double L-Queen Pool in Chaves County, New Mexico, to include therein:

✓ TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
SECTION 36: SW/4 NE/4 and N/2 SE/4

- f) d) EXTEND the Hardy-Blinebry Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
SECTION 2: NE/4

- g) e) EXTEND the Quail-Queen Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
SECTION 11: NW/4

- h) f) EXTEND the Scarborough Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
SECTION 25: NE/4

- i) g) EXTEND the Shugart Pool in Eddy County, New Mexico, to include therein:

✓ TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
SECTION 23: SW/4 NW/4

- j) h) EXTEND the Weir-Blinebry Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SECTION 10: NE/4

APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

Adopted 9-1-66

NOTE: This form is to be filed and attachments made in accordance with the provisions of Rule 509.
If discovery is claimed for more than one zone, separate forms must be filed for each.

Case 4218

Operator UNION OIL COMPANY OF CALIFORNIA		Address P.O. Box 671; Midland, Texas 79701	
Lease Name Tracy		Well No. 1	County Eddy
Well Location Unit Letter C ; 660 Feet from The North Line and 1980 Feet From the West Line of Section 10 , Township 22-S , Range 27-E , NMPM			
Suggested Pool Names (List in order of preference) 1. Esperanza 2. Soldador 3. Tracy			
Name of Producing Formation Cherry Canyon		Perforations 3417' - 3424'	Date of Filing Form C-104 8-4-69
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? Yes		If Yes, Give Date of Filing 2-28-69	Date Well was Spudded 2-10-69
Total Depth 10,693'	Plugged Back Depth 3545'	Depth Casing Shoe 10,693'	Tubing Depth 3330'
Elevation (Gr., DF, RKB, RT, etc.) 3120' CR			
Oil Well Potential (Test to be taken only after all load oil has been recovered) 206 Bbls. Oil Per Day Based On 206 Bbls In 24 Hours; 0 Bbls Water Per Day Based On 0 Bbls In 24 Hours; Gas Production During Test: 37 MCF; Gas-Oil Ratio: 180 Method Of Producing: Flow Chk. Size 12/64			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Carlsbad Permo Penn	Name of Producing Formation Permo-Penn	Top of Pay 9578'	Bottom of Pay 9900'	Currently Producing? No-shut in
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 1-3/4 Miles SW		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 6148'		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name Carlsbad (Delaware)	Top of Pay 2634'	Bottom of Pay 2642'	Currently Producing? No
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 5 Miles NW			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County
---	--

Is the Subject Well Multiple Completion? No	Is Discovery Allowable Requested for other Zone(s)? No	If Yes, Name all Such Formations
---	--	----------------------------------

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

NAME	ADDRESS
SEE ATTACHMENT	SEE ATTACHMENT

DO NOT MAILED

date 8-25-69

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Commission of such intent in writing within ten days after receiving a copy of this application.

Remarks:

All offset operators were mailed a copy of this application 8-14-69

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Commission have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.

H.R. Willis - Acting District Operations Manager

August 14, 1969

OFFSET OPERATORS
TRACY WELL NO. 1
EDDY COUNTY, NEW MEXICO

Union Oil Company of California; P.O. Box 671; Midland, Texas 79701
J. M. Huber Corp.; 922 Vaughn Bldg.; Midland, Texas 79701
Pierce and Davis; Midland Nat'l. Bank Bldg.; Midland, Texas 79701
David J. Sorenson; J.P. White Bldg.; Roswell, New Mexico 88201
T. J. Sivley; P.O. Drawer GG; Artesia, New Mexico 88210
Pan American Petroleum Corp.; P.O. Box 1410; Ft. Worth, Texas 76101
Pennzoil United, Inc.; 1007 Midland Savings Bldg.; Midland, Texas 79701
Nielson Enterprises, Inc.; 2900 N. Big Spring; Midland, Texas 79701
Texas Oil and Gas Corp.; 2520 Fidelity Union Tower; Dallas, Texas 75201
Stoltz and Company; P.O. Box 1714; Midland, Texas 79701
Chambers and Kennedy; 607 Midland Nat'l. Bank Bldg.; Midland, Texas 79701
Skelly Oil Company; P.O. Box 993; Midland, Texas 79701
Martin Yates III; 323 Carper Bldg.; Artesia, New Mexico 88210

Union Oil Company of California

500 N. Marienfeld, Midland, Texas 79701
Telephone (915) MU 2-9731



Case 4218

Midland District

August 14, 1969

State of New Mexico
Oil Conservation Commission
P. O. Drawer DD
Artesia, New Mexico 88210

Gentlemen:

In accordance with Rule 509 of the Rules and Regulations of the Oil Conservation Commission of the State of New Mexico, Union Oil Company of California respectfully requests an oil discovery allowable for its Tracy Well No. 1 which is located 660' FNL and 1980' FWL of Section 10, T-22-S, R-27-E, Eddy County, New Mexico.

Enclosed in support of this request you will find:

- 2 copies of Commission Form C-109,
- 2 copies of a map depicting all wells within a two-mile radius of the discovery well,
- 2 marked electric logs of the subject well.

A subsurface structural map of the producing formation was not prepared at this time since the Tracy No. 1 is the only Cherry Canyon well within a two mile radius. Bottom hole pressures on this well are now being run.

Yours very truly,

UNION OIL COMPANY OF CALIFORNIA

A handwritten signature in dark ink, appearing to read "H. R. Willis".

H. R. Willis
Acting District Operations Manager

HRW:JFW/sl

Enclosures

cc: Oil Conservation Commission -- Santa FE, New Mexico

PRENTICE WATTS
VICE PRESIDENT
PRODUCTION

AZTEC OIL & GAS COMPANY
2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

July 29, 1969

7:58 AM
JUL 31 1969

Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

Case 4218

Dear Sir:

This is to notify you that the Aztec Oil & Gas Company #1 State "DS", located 650' FSL and 1650' FWL of Section 24, T17S-R36E, Lea County, New Mexico, has been completed as a San Andres Formation producer from perforations 4988 to 5030. The initial potential filed with the Commission was 192 barrels of oil per 24 hours.

We will file an "Application for Discovery Allowable and Creation of a New Pool" (Form C-109) as soon as required exhibits can be prepared and reservoir data collected. We expect to have this application filed by August 6, 1969.

In accordance with the Oil Conservation Commission Rule 509, the date of discovery is considered July 20, 1969, the date of first production. This date was confirmed by submission of Form C-104 approved July 24, 1969.

Very truly yours,

Prentice Watts
Prentice Watts

PW:bjr

BEFORE ME, the undersigned Notary Public in and for Dallas County, Texas, appeared Prentice Watts who after having been duly sworn by me did upon oath state that the foregoing is true and correct to the best of his knowledge and belief. Dated at Dallas, Texas, this 29th day of July, 1969.

Prentice Watts
Prentice Watts

Subscribed and sworn to before me July 29, 1969, to certify which witness my hand and notarial seal.

Peggy Tapp
Notary Public

DOCKET MAILED

Date 9-5-69

PEGGY TAPP
NOTARY PUBLIC, DALLAS COUNTY, TEXAS
MY COMMISSION EXPIRES JUNE 1, 1971

PRENTICE WATTS
VICE PRESIDENT
PRODUCTION

AZTEC OIL & GAS COMPANY
2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

August 6, 1969

Mr. A. L. Porter, Jr.,
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Re: Aztec Oil & Gas Company
State "DS" #1 Well

Dear Sir:

Enclosed herewith is Form C-109, "Application for Discovery Allowable and Creation of a New Pool", as applies to the Aztec Oil & Gas Company #1 State "DS", SE SW Sec. 24, T-17-S, R-36-E, Lea County, New Mexico. Logs, maps and other data prescribed by Rule 509 are also enclosed.

By our letter to you dated July 29, 1969, we notified you of this new discovery.

The Oil Commission District Office in Hobbs is being furnished two copies of all information enclosed.

Very truly yours,

Jim F. Burrows

Jim F. Burrows,
Staff Engineer

JFB:nl
Encs.

DOCKET MARKED

Date 9-5-69

PH 1 57
AUG 69

*Case 4278
Paragraph A*

*SE nomenclature
for Sept. 69
24,900 ft*

PRENTICE WATTS
VICE PRESIDENT
PRODUCTION

AZTEC OIL & GAS COMPANY

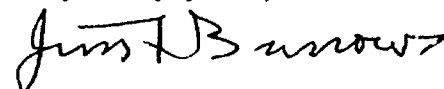
2000 FIRST NATIONAL BANK BUILDING
DALLAS, TEXAS 75202

August 6, 1969

Gentlemen:

Enclosed please find a copy of our Application for Discovery Allowable and Creation of a New Pool (Form C-109) in compliance with the rules and regulations of the New Mexico Oil Conservation Commission for obtaining an oil discovery allowable for the Aztec Oil & Gas Company #1 State "DS" Well.

Very truly yours,



Jim F. Burrows,
Staff Engineer
Aztec Oil & Gas Company

JFB:nl
Enc.

ADDRESSEES:

Pubco Petroleum Corporation
Box 1419 Albuquerque, N. M.

Gulf Oil Corporation
P. O. Box 1938 Roswell, N. M.

Phillips Petroleum Company
Phillips Bldg., Odessa, Texas

Pennzoil United, Inc.
Drawer 1828, Midland, Texas

J. Don Hudgens
Box 1889, Hobbs, New Mexico

D. L. Hanniffin
Box 182, Roswell, New Mexico

Texaco, Inc.
Box 3109, Midland, Texas

Sunray-DX Oil Company
1101 Wilco Bldg., Midland, Texas

C. W. Trainer
P. O. Box 1100, Hobbs, New Mexico

Cities Service Oil Company
P. O. Box 4906, Midland, Texas

AZTEC OIL & GAS COMPANY

State "DS" #1

Miscellaneous Data

- (a) I. P. 192 bbls oil per day - no water
- (b) Later test indicated a capacity of 504 bbls oil per day, no water. Pumping and flowing.
- (c) Oil Gravity 36.2° API
- (d) BHP - Approximated from fluid level determination after 24 hour shut-in - 1400 psi.
- (e) Gross Pay - 71' - dolomite

NEW MEXICO OIL CONSERVATION COMMISSION
APPLICATION FOR DISCOVERY ALLOWABLE AND CREATION OF A NEW POOL

Form C-109
 Adopted 9-1-56

NOTE: This form is to be filled and attachments made in accordance with the provisions of Rule 509.
 If discovery is claimed for more than one zone, separate forms must be filed for each.

Case 4518

Operator Aztec Oil & Gas Company		Address P. O. Box 837, Hobbs, New Mexico	
Lease Name State "DS"		Well No. 1	County Lea
Well Location Unit Letter N ; 650 Feet from The South Line and 1650 Feet From the West Line of Section 24 , Township 17 South , Range 36 East , NMPM			
Suggested Pool Names (List in order of preference) 1. Spencer San Andres 2. 3.			
Name of Producing Formation San Andres		Perforations 4988-92, 4898-5008, 5020-30	Date of Filing Form C-104 7-22-69
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? Yes		If Yes, Give Date of Filing 7-29-69	Date Well was Spudded 5-19-69
Total Depth 11,253		Plugged Back Depth 5,064	Depth Casing Shoe 5,281
Tubing Depth 3806 Gr., 3826 KB		Elevation (Gr., DF, RKB, RT, etc.)	
Oil Well Potential (Test to be taken only after all load oil has been recovered) 192 Bbls. Oil Per Day Based On 192 Bbls In 24 Hours; 0 Bbls Water Per Day Based On - Bbls			
In - Hours; Gas Production During Test: 124 MCF; Gas-Oil Ratio: 650-1 Method Of Producing: Pump Chk. Size: -			

NEAREST PRODUCTION TO THIS DISCOVERY (Includes past and present oil or gas producing areas and zones whether this discovery is based on horizontal or vertical separation):

Pool Name Spencer	Name of Producing Formation Pennsylvanian	Top of Pay 9949	Bottom of Pay 9959	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 1310 South & 990 West		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 4919'		

NEAREST COMPARABLE PRODUCTION (Includes past and present oil or gas production from this pay or formation only):

Pool Name Midway San Andres	Top of Pay 5030	Bottom of Pay 5270	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 2 miles northeast in Unit J, Sec. 18-T-17-S, R-37-E			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well? No	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in this County -
---	--

Is the Subject Well Multiple Completion? No	Is Discovery Allowable Requested for other Zone(s)? -	If Yes, Name all Such Formations -
---	---	--

LIST ALL OPERATORS OWNING LEASES WITHIN ONE MILE OF THIS WELL (Attach additional sheet if necessary)

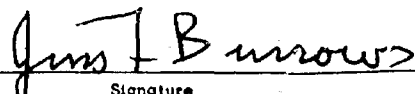
NAME	ADDRESS
Pubco Petroleum Corporation	Box 1419, Albuquerque, New Mexico 87103
Gulf Oil Corporation	P. O. Box 1938, Roswell, New Mexico 88201
Phillips Petroleum Company	Phillips Building, Odessa, Texas 79760
Pennzoil United, Inc.	Drawer 1828, Midland, Texas 79701
J. Don Hudgens	Box 1889, Hobbs, New Mexico 88240
D. L. Hannifin	Box 182, Roswell, New Mexico 88201
Texaco, Inc.	Box 3109, Midland, Texas 79701
Sunray-DX Oil Company	1101 Wilco Building, Midland, Texas 79701
C. W. Trainer	P. O. Box 1100, Hobbs, New Mexico 88240
Cities Service Oil Company	P. O. Box 4906, Midland, Texas 79701

Attach evidence that all of the above operators have been furnished a copy of this application. Any of said operators who intends to object to the designation of the subject well as a discovery well, eligible to receive a discovery allowable, must notify the appropriate District Office and the Santa Fe Office of the Commission of such intent in writing within ten days after receiving a copy of this application.

Remarks:

CERTIFICATION

I hereby certify that all rules and regulations of the New Mexico Oil Conservation Commission have been complied with, with respect to the subject well, and that it is my opinion that a bona fide discovery of a hitherto unknown common source of oil supply has been made in said well. I further certify that the discovery allowable for the subject well, if authorized, will be produced from the subject zone in this well only. Further, that the information given herein and attached hereto is true and complete to the best of my knowledge and belief.


Staff Engineer
August 8, 1969

Signature
 Position
Date

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4218
ORDER NO. R- 3843

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on September 17, 1969, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this _____ day of September, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

✓(2) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of Spencer-San Andres Pool. Further, that the discovery well for said pool, the Aztec Oil & Gas Company State "DS" Well No. 1, located in Unit N of Section 24, Township 17 South, Range 36 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 24,940 barrels to be assigned over a two-year period. Said discovery well was completed in the San Andres formation on July 20, 1969. The top of the perforations is at 4988 feet.

✓(3) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Esperanza-Delaware Pool. Further, that the discovery well for said pool, the Union Oil Company of California Tracy Well No. 1, located in Unit C of Section 10, Township 22 South, Range 27 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 17,085 barrels to be assigned over a two-year period. Said discovery well was completed in the Cherry Canyon formation on August 3, 1969. The top of the perforations is at 3417 feet.

✓(4) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Bagley-Wolfcamp Pool. Said Bagley-Wolfcamp Pool was discovered by the Sam Boren Andover Federal Well No. 1, located in Unit M of Section 19, Township 11 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on March 31, 1969. The top of the perforations is at 8640 feet.

✓(5) That there is need for the creation of a new oil pool in Lea County, New Mexico, for the production of oil from the San Andres formation, said pool to bear the designation of South Bronco-San Andres Pool. Said South Bronco-San Andres Pool was discovered by the Signal Oil & Gas Company Lowe Land Well No. 1, located in Unit L of Section 35, Township 13 South, Range 38 East, NMPM. It was completed in the San Andres formation on June 17, 1969. The top of the perforations is at 5310 feet.

(6) That there is need for certain extensions to the Double L-Queen Pool in Chaves County, New Mexico, the Shugart Pool in Eddy County, New Mexico, the Hardy-Blaine Pool, the Quail-Queen Pool, the Scarborough Yates-Seven Rivers Pool, and the Weir-Blaine Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

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

✓ TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
SECTION 24: SE/4 SW/4

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

✓ TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
SECTION 10: NE/4 NW/4

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

✓ TOWNSHIP 11 SOUTH, RANGE 33 EAST, NMPM
SECTION 19: SW/4

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

✓ TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
SECTION 35: SW/4

(e) That the Double L-Queen Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
SECTION 36: SW/4 NE/4 and N/2 SE/4

✓ TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
SECTION 31: S/2 NW/4 and N/2 SW/4

(f) That the Hardy-Blinebry 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 2: NE/4

(g) That the Quail-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 11: W/2

(h) That the Scarborough Yates-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 26 SOUTH, RANGE 36 EAST, NMPM
SECTION 25: NE/4

(i) That the Shugart Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
SECTION 23: SW/4 NW/4

(j) That the Weir-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
SECTION 10: NE/4

IT IS FURTHER ORDERED:

(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1959, 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 Commission. 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 Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all creations and extensions included herein shall be October 1, 1969.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

CASE 4219: Application of YATES
PETROLEUM CORP. FOR AMENDMENT OF
ORDER NO. R-3609, EDDY COUNTY.

per - approved
OK as per

2007-12-28