

CASE 4472:

SOUTHEASTERN NEW MEXICO
NOMENCLATURE

Case. Number.

4472

Application,
Transcripts.

Sm all Exhibts.

ETC.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COURT CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
December 16, 1970

EXAMINER HEARING

IN THE MATTER OF:)

Southeastern New Mexico nomenclature)
case calling for an order for the)
creation of certain new pools and the)
assignment of oil discovery allowable)
and the contraction and extension of)
certain other pools in Lea, Eddy, Chaves)
and Roosevelt Counties, New Mexico.)

) Case No. 4472
)
)

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date DECEMBER 16, 1970TIME: 9:30 A.M.

NAME	REPRESENTING	LOCATION
Tom Wigan	Silbert Maxwell	Farmington
Kee, Saturn	White Gelb & Kelly	Santa Fe
A. Dean Rial	Tenneco Oil	Denver
Pat Kelly	Mobil Oil	Midland
W.B. Simmons, Jr.	Mobil Oil	Midland
Victor Amador	Mobil Oil	Midland
Chuck Schoffine	Shell Oil Co.	Farmington, N.M.
Foster Morrell	Independent	Roswell
John Seerey	Mobil Oil	Midland
C.C. Kennedy	Id.	Farmington
P.T. McGrath	U.S.G.S.	Farmington
J.E. Sperling	Modahl, Seymour Sperling et al	Albuquerque
Walter Smith	Montgomery et al	Santa Fe
M.D. Dineen	Amoco Oil Corporation	Midland
R.M. Richardson	etc	Carrollton, N.M.
N.C. Dugan	By BAH	Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE , NEW MEXICO

Hearing Date DECEMBER 16, 1970 TIME: 9:30 A.M.

NAME	REPRESENTING	LOCATION
Hugh Hangan	Hangan Petroleum Corp	Baswell

MR. UTZ: The hearing will come to order, please.
We will take up first Case 4472.

MR. HATCH: Case 4472. Southeastern New Mexico
nomenclature case calling for an order for the creation
of certain new pools and the assignment of oil discovery
allowable and the contraction and extension of certain
other pools in Lea, Eddy, Chaves and Roosevelt Counties,
New Mexico.

(Witness sworn.)

(Whereupon, Exhibit 1 was marked for identification.)

JOE D. RAMEY,

having been first duly sworn, was examined and testified
as follows:

DIRECT EXAMINATION

BY MR. HATCH:

Q Give your name and position for the record.

A Joe D. Ramey, Supervisor of the Commission's District 1
in Hobbs.

Q Are you prepared to make recommendations to the Commission
concerning the creation, contraction and extension of
certain pools in Lea, Eddy, Chaves and Roosevelt
Counties, New Mexico, and the assignment of a discovery
allowable to a certain well in Roosevelt County?

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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1203 FIRST NATIONAL BANK EAST • PHONE 236-1294 • ALBUQUERQUE, NEW MEXICO

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A Yes, I am.

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

A Yes. It was labeled Southeast New Mexico Nomenclature Exhibit 1, Paragraphs A through N.

Q Would you refer to Paragraph A of Exhibit 1 and make your recommendations to the Examiner, then, concerning the creation of a new pool and the assignment of discovery allowable to the discovery well?

A Yes. It was recommended that a new oil pool be created and designated at the top, Todd-Wolfcamp Pool; vertical limits to be the Abo formation and horizontal limits as shown in Paragraph A; discovery wells of Texaco Incorporated, L. Harris Federal Well No. 1 located in Unit "I", Section 22, Township 7 South, Range 35 East.

The well was completed on October 20, 1970. Top of the perforations is at 7,605 feet. Further is recommended that a bonus allowable of 38,025 barrels be assigned to this well.

Q Would you refer to Paragraphs B through N then of Exhibit 1 and point out any corrections that need to be made in the docket that has been distributed?

A Paragraph D is to be dismissed pending further study.

Paragraphs H and K to be dismissed due to an error in advertising. I have an addition in Paragraph N in Township 17 South, Range 34 East, Section 5, the northwest quarter.

The remainder is as shown on the docket.

MR. UTZ: What was that last one after K?

THE WITNESS: N.

MR. UTZ: You had an addition on N?

THE WITNESS: Yes, in 17 South, 34 East, Section 5, northwest quarter.

Q (By Mr. Hatch) Will the extensions in Paragraphs H and K that you have asked to be dismissed, will they be readvertised and set for another hearing?

A Yes, they will be.

Q Do you have anything further?

A No, that's all I have.

Q Do you recommend then that the pools in Paragraphs B through N be created, contracted and extended as shown on the docket as you have corrected in this hearing?

A I do.

Q Was Exhibit 1 prepared by you or someone under your supervision?

A Yes, it was.

MR. HATCH: I move the introduction of Exhibit 1.

MR. UTZ: Without objection, Exhibit 1 will be entered into the record of this case.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Ramey, is the Abo formation a part of the Wolfcamp series?

A No, it isn't; it's separate.

Q Didn't I secure you to recommend that the vertical limits be the Abo formation?

A I believe I did and it looks like it's advertised as Wolfcamp production. I think we have an error there. It should be the Wolfcamp formation, vertical limits to be the Wolfcamp formation.

MR. UTZ: Okay. Other questions of the witness?
The witness may be excused. Statements in the case?
The case will be taken under advisement.

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I N D E X

WITNESS

PAGE

JOE D. RAMEY

Direct Examination by Mr. Hatch

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Cross Examination by Mr. Utz

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E X H I B I T S

Applicant's Exhibit 1

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, GLENDA BURKS, 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.

Glenda Burks
Court Reporter

I do hereby certify that the foregoing is
a true and correct record of
the hearing held on 4472
at 10:20 on 10/20/70
[Signature], Secretary
New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 1980 - HOBBS

88240

October 26, 1970

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

File Case 4472

Mr. Daniel Nutter
Chief Engineer
New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Application of Samedan for a
Discovery Allowable and New
Pool Creation for its' Gulf
State No. 1-A, Section 4-15-35

Dear Dan:

After carefully checking over Samedan's application, I strongly believe that this well is an extension to the East Morton-Wolfcamp Pool and that this application should be brought before a Commission hearing to prove separation from the East Morton-Wolfcamp Pool.

This is based on (with the Union of California Owens Well No. 1, located in Unit G, Section 34, T-14-S, R-35-E, in East Morton-Wolfcamp Pool as reference):

- I. (a) Both wells located on the same structure and completed in same formation, the Wolfcamp.
- (b) Both wells producing from almost the same lithologic zone, with only approximately 20 feet of vertical separation, with no apparent permeability barrier.
- (c) The lithology on both logs is very similar near the producing zone.
- (d) Less than one mile apart.
- (e) Gravities are similar; Samedan well is 45.3⁰ and Union of California well is 43⁰.

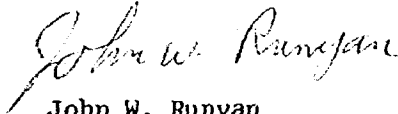
(f) Tubing pressure is different, but Samedan's well is much newer and is located some 200 feet higher structurally.

II. (a) As far as the discovery allowable is concerned, the Samedan well cannot produce the bonus allowable, since it was tested at 309 bbls/day and the normal unit allowable is 334 bbls/day for this depth.

(b) The Samedan well has a 40 acre proration unit and the East Morton-Wolfcamp Pool also has a standard 40 acre proration unit; no problem in proration unit confliction.

Very truly yours,

OIL CONSERVATION COMMISSION



John W. Runyan
Geologist, District I

JWR:fd

cc: Mr. Joe D. Ramey, Supervisor, District I NMOCC
Samedan Oil Corporation, 2207 Wilco Bldg., Midland

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

Form C-109
 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.

Operator Samedan Oil Corporation		Address 2207 Wilco Building, Midland, Texas 79701	
Lease Name Gulf State		Well No. 1	County Lea
Well Location Unit Letter A 660 Feet from The North Line and 660 Feet From the East Line of Section 4 Township 15-S Range 35-E NMPM			
Suggested Pool Names (List in order of preference) 1. S.B.M. (Permo-Penn) 2. Morton East (Permo-Penn) 3. East Morton			
Name of Producing Formation Permo-Penn		Perforations 4 shots at 10,494' Open hole 10,510' to T.D. 10,546'	Date of Filing Form C-104 10-12-70
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? No		If Yes, Give Date of Filing	Date Well was Spudded 8-15-70 Date Compl. Ready to Prod. 10-5-70
Total Depth 10,546'	Plugged Back Depth --	Depth Casing Shoe 10,510'	Tubing Depth 10,038' Elevation (Gr., DF, RKB, RT, etc.) 4004.2' G.L.
Oil Well Potential (Test to be taken only after all load oil has been recovered) 309 Bbls. Oil Per Day Based On 309 Bbls In 24 Hours; 50 Bbls Water Per Day Based On 50 Bbls In 24 Hours; Gas Production During Test: 132 MCF; Gas-Oil Ratio: 427-1 Method Of Producing: Flowing Chk. Size 15/64"			

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 Morton, East	Name of Producing Formation Wolfcamp	Top of Pay 10,629'	Bottom of Pay 10,646'	Currently Producing? 342 B.O.P.M.
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 1 mile northeast		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 225'		

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

Pool Name Morton, North (Permo-Penn)	Top of Pay 10,423'	Bottom of Pay 10,506'	Currently Producing? 5170 B.O.P.M.
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 2 miles northwest			

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
Getty Oil Company	P. O. Box 1231, Midland, Texas 79701
Gulf Oil Company	P. O. Drawer 1938, Roswell, New Mexico 88201
W. A. Moncrief Oil Producers	817 Midland Tower, Midland, Texas 79701
Ralph Lowe Estate	P. O. Box 832, Midland, Texas 79701
Superior Oil Company	P. O. Box 1900, Midland, Texas 79701
Bell Petroleum Company	P. O. Box 1538, Midland, Texas 79701
Union Oil of California	Suite 300, Security National Bank Building, Roswell, New Mexico 88201
Amerada Hess Corporation	600 Fidelity National Building, Oklahoma City, Oklahoma 73102
Hamoll, L. B. Hodges	P. O. Box 489, Roswell, New Mexico 88201
Perry R. Bass	P. O. Box 171, 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.

Signature
Position
Date

G. W. Putnam
Division Production Superintendent
October 20, 1970

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO 88240

October 26, 1970

Samedan Oil Corp.
2207 Wilco Bldg.
Midland, Texas 79701

Attention: Mr. G. W. Putnam

Gentlemen:

This office is in receipt of Form C-109, Application for Discovery Allowable and Creation of a New Pool. This office has reviewed your application and we are of the opinion that this is an extension to the East Morton-Wolfcamp Pool. I am attaching a copy of a letter from Mr. John Runyan of this office to our Chief Engineer, Mr. Daniel Nutter, which outlines our reasoning in calling this an extension to the East Morton-Wolfcamp Pool.

If you still do not agree with our interpretation of this and insist that the well be classified as a discovery well in a new pool, the matter will be set for hearing and you will be expected to present testimony establishing this as a new pool creation. Top allowable for a pool at this depth would be 327 barrels and since your well only potentialized for 309 barrels per day, it would seem that your request for bonus allowable would be unnecessary unless the producing capacity of the well has increased since the completion potential test.

Should you desire a hearing on this matter, please advise me prior to November 1, 1970 and the matter will be docketed at the earliest possible date. Otherwise the well will be placed in the East Morton Wolfcamp Pool in the near future.

Yours very truly,

OIL CONSERVATION COMMISSION

Joe D. Ramey
Supervisor, District 1

JDR/mc
Attach.
cc-Daniel S. Nutter, Chief Engineer
OCC, Santa Fe, New Mexico

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. 4472
Order No. R-4080

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on December 16, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of December, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 Roosevelt County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Todd-Wolfcamp Pool. Further, that the discovery well for said pool, the Texaco Inc. L. Harris Federal Well No. 1, located in Unit I of Section 22, Township 7 South, Range 35 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 38,025 barrels to be assigned over a two-year period. Said discovery well was completed in the Wolfcamp formation on October 20, 1970. The top of the perforations is at 7605 feet.

(3) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the

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CASE No. 4472

Order No. R-4080

Bone Spring formation, said pool to bear the designation of Black River-Bone Spring Gas Pool. Said Black River-Bone Spring Gas Pool was discovered by the Pennzoil United, Inc., O'Neill Federal Well No. 1, located in Unit L of Section 11, Township 24 South, Range 26 East, NMPM. It was completed in the Bone Spring formation on August 6, 1970. The top of the perforations is at 5325 feet.

(4) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Yeso formation, said pool to bear the designation of Indian Basin-Yeso Pool. Said Indian Basin-Yeso Pool was discovered by the Marathon Oil Company Indian Basin E Well No. 2, located in Unit K of Section 27, Township 21 South, Range 23 East, NMPM. It was completed in the Yeso formation on August 6, 1970. The top of the perforations is at 2333 feet.

(5) That the proposed creation of a new pool in Section 4, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico, for the production of oil from the Permo-Pennsylvanian formation should be dismissed pending further study.

(6) That there is need for the contraction of the Square Lake Pool in Eddy County, New Mexico, by the deletion of certain acreage in order that said deleted acreage may be placed in the Grayburg Jackson Pool to facilitate a proposed waterflood.

(7) That there is need for certain extensions to the Atoka-Pennsylvanian Gas Pool, the South Carlshad-Morrow Gas Pool, and the Grayburg Jackson Pool, all in Eddy County, New Mexico, the South McCormack-Silurian Pool and the Northwest Vacuum-Wolfcamp Pool, both in Lea County, New Mexico, the Chaveroo-San Andres Pool and the South Prairie-Cisco Pool, both in Roosevelt County, New Mexico. Further, that the proposed extension to the Buffalo Valley-Pennsylvanian Gas Pool and the Double L-Queen Pool, both in Chaves County, New Mexico, should be dismissed.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
Section 22: NE/4 SE/4

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CASE No. 4472

Order No. R-4080

That the discovery well for said pool, the Texaco Inc. L. Harris Federal Well No. 1, located in Unit I of Section 22, Township 7 South, Range 35 East, NMPM, is hereby authorized an oil discovery allowable of 38,025 barrels to be assigned to said well at the rate of 52 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 a gas pool for Bone Spring production, is hereby created and designated as the Black River-Bone Spring Gas Pool, consisting of the following-described area:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 11: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM
Section 27: NE/4 SW/4

(d) That the proposed creation of a new pool in Lea County, New Mexico, classified as an oil pool for Permo-Pennsylvanian production and designated as the East Morton Permo-Pennsylvanian Pool, consisting of the following-described area:

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

is hereby dismissed.

(e) That the Square Lake Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following-described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: N/2

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 12: SE/4 SE/4
Section 13: N/2

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CASE No. 4472
Order No. R-4080

(g) That the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 19: W/2

(h) That the proposed extension of the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 6: W/2

is hereby dismissed.

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 11: All

(j) That the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
Section 23: SW/4

(k) That the proposed extension of the Double L-Queen Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
Section 25: SW/4 SE/4

is hereby dismissed.

(l) That the South McCormack-Silurian 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 21: NE/4

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CASE No. 4472
Order No. R-4080

(m) That the South Prairie-Cisco Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 20: S/2 SW/4

(n) That the Northwest Vacuum-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

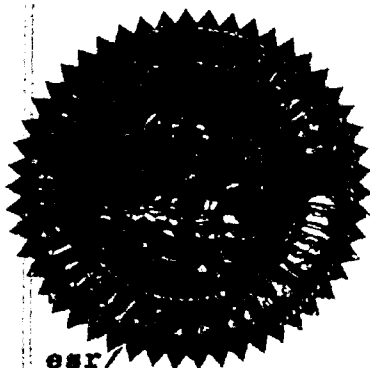
TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 5: NW/4
Section 8: NW/4

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 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, contractions, and extensions included herein shall be January 1, 1971.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

David F. Cargo
DAVID F. CARGO, Chairman

Alex J. Armijo
ALEX J. ARMILLO, Member

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

esr/

DOCKET: REGULAR HEARING - WEDNESDAY - DECEMBER 16, 1970

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

- ALLOWABLE: (1) Consideration of the oil allowable for January and February, 1971;
- (2) Consideration of the allowable production of gas for January, 1971, 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 January, 1971. Consideration of purchaser's nominations for the six-month period beginning February 1, 1971 for that area.

THE FOLLOWING CASES WILL BE HEARD BEFORE ELVIS A. UTZ,
EXAMINER, OR DANIEL S. NUTTER, ALTERNATE EXAMINER, IN
THE OIL CONSERVATION COMMISSION CONFERENCE ROOM ON THE
SECOND FLOOR OF SAID BUILDING AT 9:30 A.M.

* * * * *

CASE 4457: (Readvertised from the November 18, 1970, Examiner Hearing)

Application of Tenneco Oil Company for the creation of a new pool, assignment of discovery allowable, and promulgation of special pool rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the "D" zone of the Dakota formation for its Don Ne Pah Well No. 1 located in Unit D of Section 18, Township 17 North, Range 8 West, McKinley County, New Mexico, and for the assignment of an oil discovery allowable to said well. Applicant further seeks the promulgation of special rules for said pool, including provisions for 80-acre spacing units with wells to be drilled in either the northwest or southeast quarter-quarter sections.

CASE 4473: Application of Mobil Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Devonian formation in the open-hole interval from 12,226 feet to 12,541 feet in its Cosden-Oil Development Well No. 1 located in Unit C of Section 25, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico.

CASE 4474: Application of Amini Oil Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the rules governing the North Vacuum-Abo Pool to permit the completion of a well at an off-pattern unorthodox location 2120 feet from the North line and 520 feet from the West line of Section 12, Township 17 South, Range 34 East, Lea County, New Mexico. The S/2 NW/4 of said Section 12 to be dedicated to the well.

CASE 4475: Application of Texas American Oil Corporation for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico. Applicant seeks an exception to the provisions of said order for wells completed in the Sand Dunes-Atoka Gas Pool and the Sand Dunes-Cherry Canyon Pool, Eddy County, New Mexico, to permit the disposal of water produced by said wells in unlined surface pits.

CASE 4476: Application of Hanagan Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Catclaw Draw Unit Area comprising 6,720 acres, more or less, of Federal, State, and Fee lands in Sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36, Township 21 South, Range 25 East, Eddy County, New Mexico.

CASE 4472: Southeastern New Mexico nomenclature case calling for an order for the creation of certain new pools and the assignment of oil discovery allowable and the contraction and extension of certain other pools in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico;

(a) Create a new pool in Roosevelt County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Todd-Wolfcamp Pool comprising the following:

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
SECTION 22: NE/4 SE/4

Further, for the assignment of approximately 38,025 barrels of oil discovery allowable to the discovery well Texaco Inc.'s L.Harris Federal Well No. 1 located in Unit I of said Section 22.

(b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Bone Spring production and designated as the Black River-Bone Spring Gas Pool. The discovery well is the Pennzoil United, Inc. O'Neill Federal No. 1 located in Unit L of Section 11, Township 24 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
SECTION 11: SW/4

- (c) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the Indian Basin-Yeso Pool. The discovery well is Marathon Oil Company's Indian Basin E No. 2 located in Unit K of Section 27, Township 21 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM
SECTION 27: NE/4 SW/4

- (d) Create a new pool in Lea County, New Mexico, classified as an oil pool for Permo Pennsylvanian production and designated as the East Morton Permo Pennsylvanian Pool. The discovery well is Samedan Oil Corporation's Gulf State No. 1 located in Unit A of Section 4, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
SECTION 4: NE/4

- (e) Contract the Square Lake Pool in Eddy County, New Mexico, by the deletion of the following described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: SE/4 SE/4
SECTION 13: N/2

- (f) Extend the Grayburg Jackson Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: SE/4 SE/4
SECTION 13: N/2

- (g) Extend the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
SECTION 19: W/2

- (h) Extend the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
SECTION 6: W/2

- (i) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
SECTION 11: All

- (j) Extend the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
SECTION 23: SW/4

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

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
SECTION 25: SW/4 SE/4

(l) Extend the South McCormack-Silurian Pool In Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 21: NE/4

(m) Extend the South Prairie-Cisco Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
SECTION 20: S/2 SW/4

(n) Extend the Northwest Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 8: NW/4

NOMENCLATURE ADVERTISEMENT FOR DECEMBER, 1970

CASE 4472

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 Eddy, Lea, and Roosevelt Counties, New Mexico, the contraction of a certain existing pool in Eddy County, New Mexico, and the extension of certain existing pools in Chaves, Eddy, Lea, and Roosevelt 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, contractions, and extensions should not be made.

a) CREATE A new pool in Roosevelt County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Todd-Wolfcamp Pool, comprising the following:

✓ TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
SECTION 22: SE/4

Further, for the assignment of approximately 38,025-barrels of oil discovery allowable to the discovery well Texaco, Inc.'s L. Harris Federal Well No. 1, located in Unit I of said Section 22.

b) CREATE A new pool in Eddy County, New Mexico, classified as a gas pool for Bone Spring production and designated as the Black River-Bone Spring Gas Pool. The discovery well is Pennzoil United, Inc.'s O'Neill Federal No. 1 located in Unit L of Section 11, Township 24 South, Range 26 East, NMPM. Said pool ~~described as:~~ *would comprise:*

✓ TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
SECTION 11: SW/4

c) CREATE A new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the Indian Basin-Yeso Pool. The discovery well is Marathon Oil Company's Indian Basin E No. 2 located in Unit K of Section 27, Township 21 South, Range 23 East, NMPM. Said pool ~~described as:~~ *would comprise:*

✓ TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM
SECTION 27: NE/4 SW/4

Permian
d) CREATE A new pool in Lea County, New Mexico, classified as an oil pool for Permo Pennsylvanian production and designated as the East Morton Permo-Pennsylvanian Pool. The discovery well is Samedan Oil Corporation's Gulf State No. 1 located in Unit A of Section 4, Township 15 South, Range 35 East, NMPM. Said pool ~~described as:~~ *would comprise:*

✓ TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
SECTION 4: NE/4

e) CONTRACT the Square Lake Pool in Eddy County, New Mexico, by the deletion of the following described area:

✓ TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: SE/4 SE/4
SECTION 13: N/2

December, 1970 Nomenclature

f) EXTEND the Grayburg Jackson Pool in Eddy County, New Mexico, to include therein: X

✓ TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: SE/4 SE/4
SECTION 13: N/2

g) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

✓ TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
SECTION 19: W/2 ✓

Dismiss h) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

✓ TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
SECTION 6: W/2 ✓

i) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

✓ TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
SECTION 11: All ✓

j) EXTEND the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, to include therein:

✓ TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
SECTION 23: SW/4 ✓

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

✓ TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
SECTION 25: SW/4 SE/4 ✓

l) EXTEND the South McCormack-Silurian Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
SECTION 21: NE/4

m) EXTEND the South Prairie-Cisco Pool in Roosevelt County, New Mexico, to include therein: ✓

✓ TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
SECTION 20: S/2 SW/4

n) EXTEND the Northwest Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

✓ TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
SECTION 8: NW/4 ✓

5- NW/4

CASE 4472: (a) CREATION OF A NEW OIL POOL

COUNTY ROOSEVELT POOL TODD-WOLFCAMP

TOWNSHIP 7 South RANGE 35 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.

TEXACO, INC. - L. Harris Federal #1 in Unit I of Section 22-7-35. Completed in ^{N/S} on October 20, 1970. Top of Perforations 7605'.

Proposed pool boundary colored in red. SECTION 22: NE/4 SE/4

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

EXHIBIT NO. 1

CASE NO. 4472

CASE 4472: (b) CREATION OF A NEW GAS POOL

COUNTY EDDY

POOL BLACK RIVER-BONE SPRING GAS

TOWNSHIP	24S	RANGE	26E	NMFM	
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 gas well capable of producing.

Discovery Well: Pennzoil United Inc., O'Neill Federal #1 unit
L of Section 11-24-26. Completed August 6, 1970, through per-
forations 5325' to 5330'.

Proposed pool boundary colored in green.

Section 11: SW/4

CASE 4472: (c) CREATION OF A NEW OIL POOL
COUNTY EDDY POOL INDIAN BASIN-YESO

TOWNSHIP 21S						RANGE 23E						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.

Discovery Well: Marathon Oil Co., Indian Basin E #2 unit K of
Section 27-21-23. Completed in Yeso August 6, 1970, through
perforations 2333' to 2551'.

Proposed pool boundary colored in green.

Section 27: NE/4 SW/4

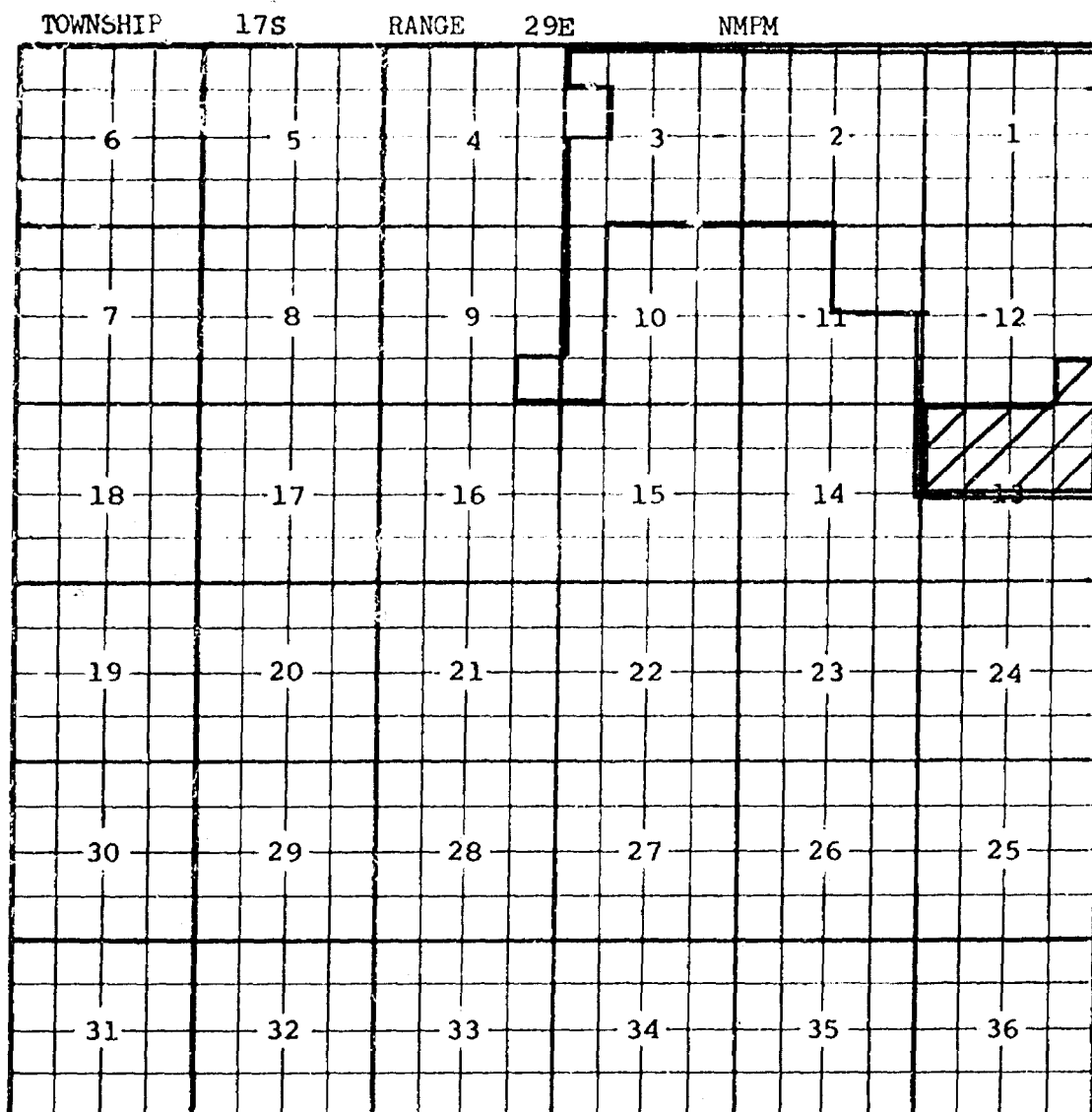
CASE 4472: (d) CREATION OF A NEW OIL POOL

COUNTY	LEA	POOL	EAST MORTON-PERMO PENNSYLVANIAN		
TOWNSHIP	15 South	RANGE	35 East	NMFM	
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.
 SAMEDAN OIL CORPORATION - Gulf State #1 in Unit A of Section 4-15-35.
 Completed in Permo Pennsylvanian on October 5, 1970. Top of Perforations
 10,494'.
 Proposed pool boundary colored in red. SECTION 4: NE/4

TO BE DISMISSED PENDING FURTHER STUDY

CASE 4472: (e) DELETION OF AN EXISTING OIL POOL
COUNTY EDDY POOL SQUARE LAKE (GB-SA)



Purpose: To delete certain acreage from the Square Lake Pool and place the same in the Grayburg Jackson Pool. Done at the operator's request to facilitate a proposed waterflood.

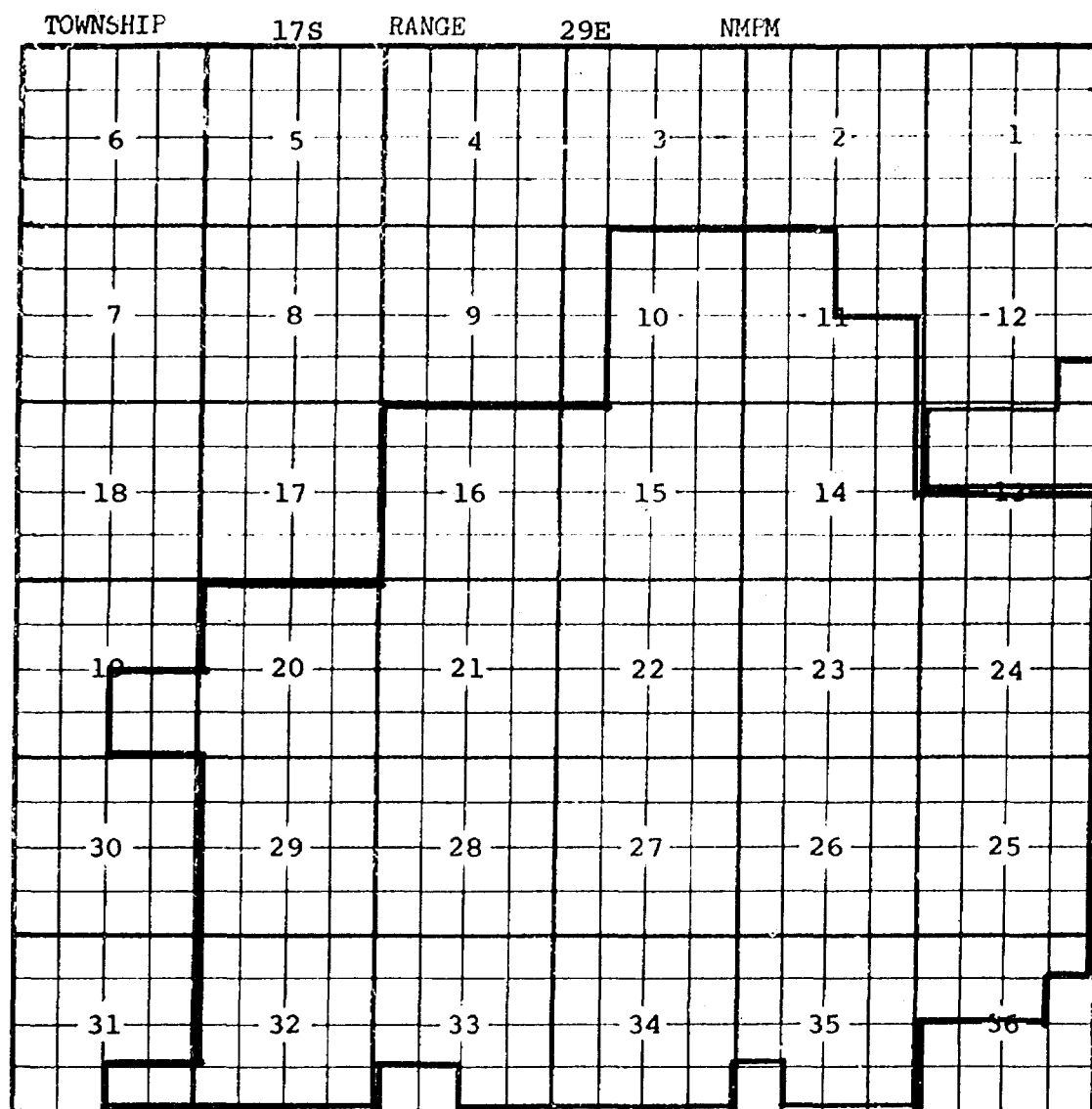
Pool boundary colored in red.

Proposed deletion colored in blue.

Section 12: SE/4 SE/4

Section 13: N/2

CASE 4472: (F) EXTENSION OF AN EXISTING OIL POOL
 COUNTY EDDY POOL GRAYBURG JACKSON (Q-GB-SA)



Purpose: To take in acreage deleted from the Square Lake Pool.

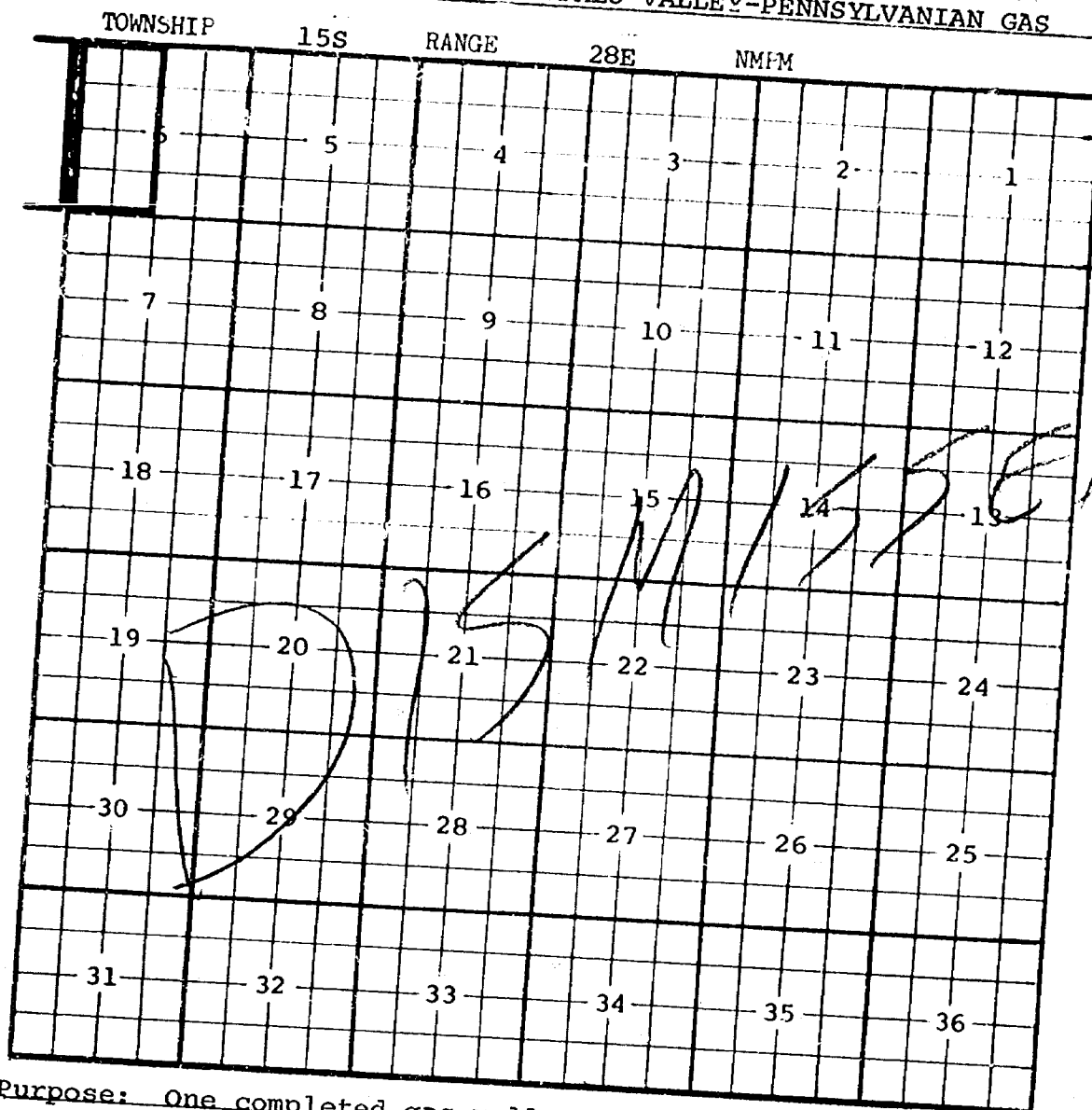
Pool boundary colored in red.

Proposed extension colored in green.

Section 12: SE/4 SE/4

Section 13: N/2

CASE 4472: (h) EXTENSION OF AN EXISTING GAS POOL
 COUNTY CHAVES POOL BUFFALO-VALLEY-PENNSYLVANIAN GAS



Purpose: One completed gas well capable of producing.

Read and Stevens, Midwest #1 unit M of Section 6-15-28. Completed in Pennsylvanian September 29, 1970, through perforations 8392' to 8420'.

Pool boundary colored in red.

Proposed extension colored in green.

Section 6: W/2

CASE 4472: (i) EXTENSION OF AN EXISTING GAS POOL
COUNTY EDDY POOL SOUTH CARLSBAD-MORROW GAS

TOWNSHIP	23S	RANGE	26E	NMPM
6	5	4	3	2
7	8	9	10	11
18	17	16	15	14
19	20	21	22	23
30	29	28	27	26
31	32	33	34	35

Purpose: One completed gas well capable of producing.

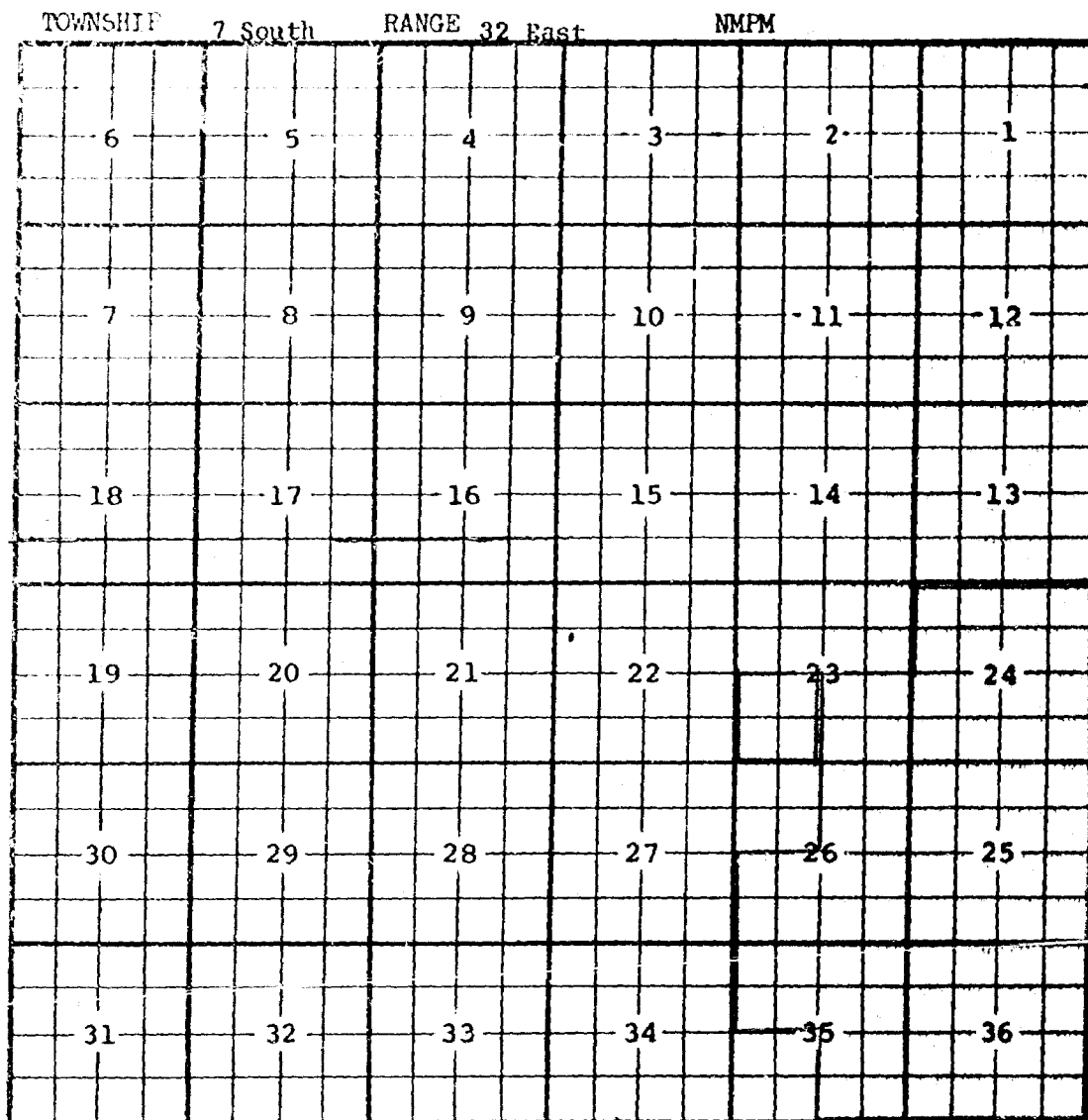
Texas Oil & Gas Corp., Pan Am-State Com #1 unit J of Section
11-23-26. Completed in Morrow October 1, 1970, through per-
forations 11615' to 11781'.

Pool boundary colored in red.

Proposed extension colored in green.

Section 11: ALL

CASE 4472: (j) EXTENSION OF AN EXISTING OIL POOL
COUNTY ROOSEVELT POOLCHAUVEROO-SAN ANDRES



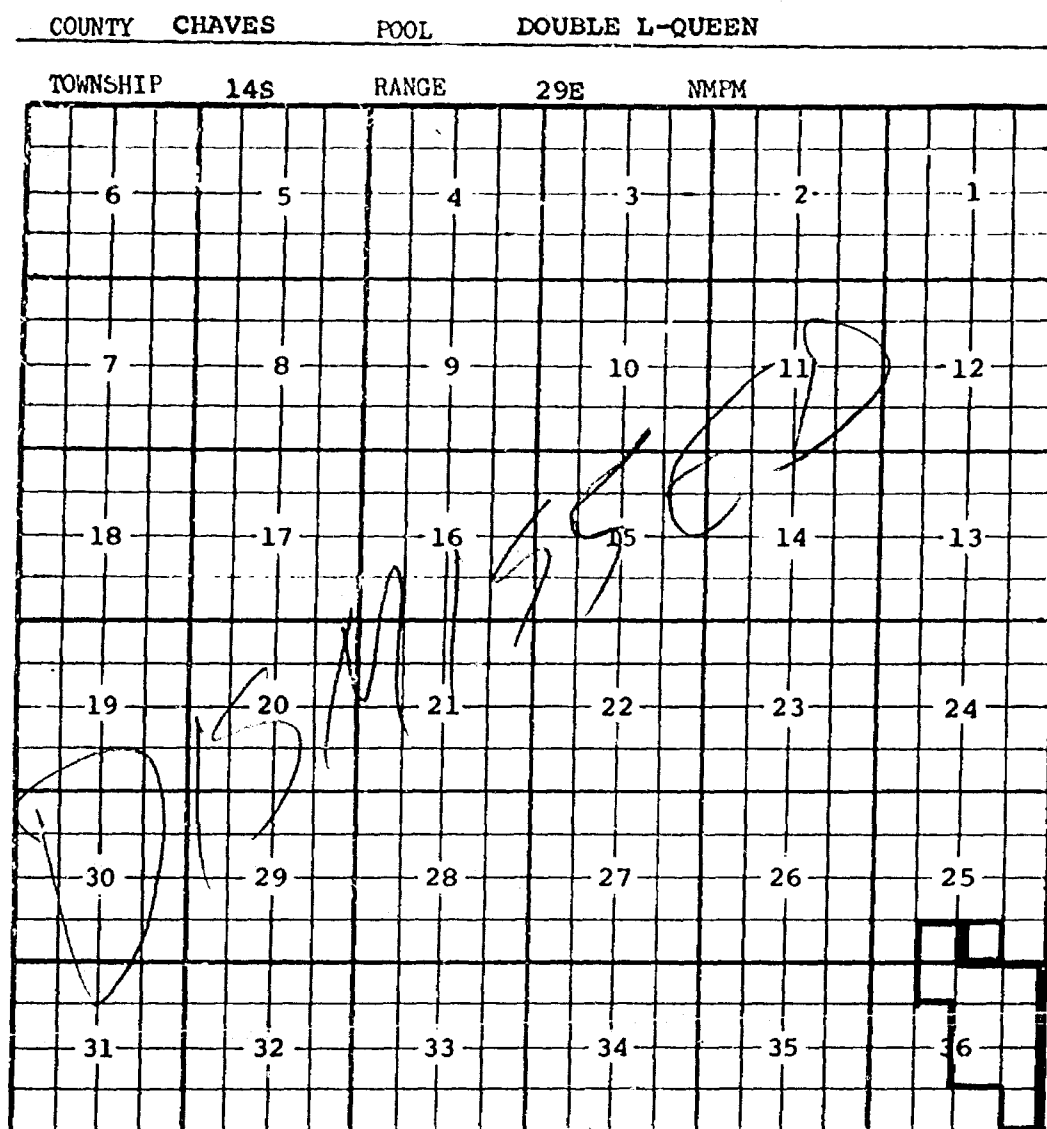
PURPOSE: One completed oil well capable of producing.

JENKINS-DHAENENS OIL COMPANY, INC. - Shell Federal #1 in Unit K of Section 23-7-32. Completed in San Andres on October 20, 1970. Top of Perforations 4204'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 23: SW/4

CASE 4472: (k) EXTENSION OF AN EXISTING OIL POOL (Continued on next page)



Purpose: One completed oil well capable of producing.

Dalport Oil Corp., Spurck State #10 unit O of Section 25-14-29.

Completed in Queen September 30, 1970, through perforations 1917' to 1925'.

Pool boundary colored in red.

Proposed extension colored in green.

Section 25: SW/4 SE/4

CASE 4472: (k) EXTENSION OF AN EXISTING OIL POOL (Continued)

COUNTY CHAVES POOL DOUBLE L-QUEEN

TOWNSHIP	15 South	RANGE	30 East	NMPM		
	5	4	3	2	1	
	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

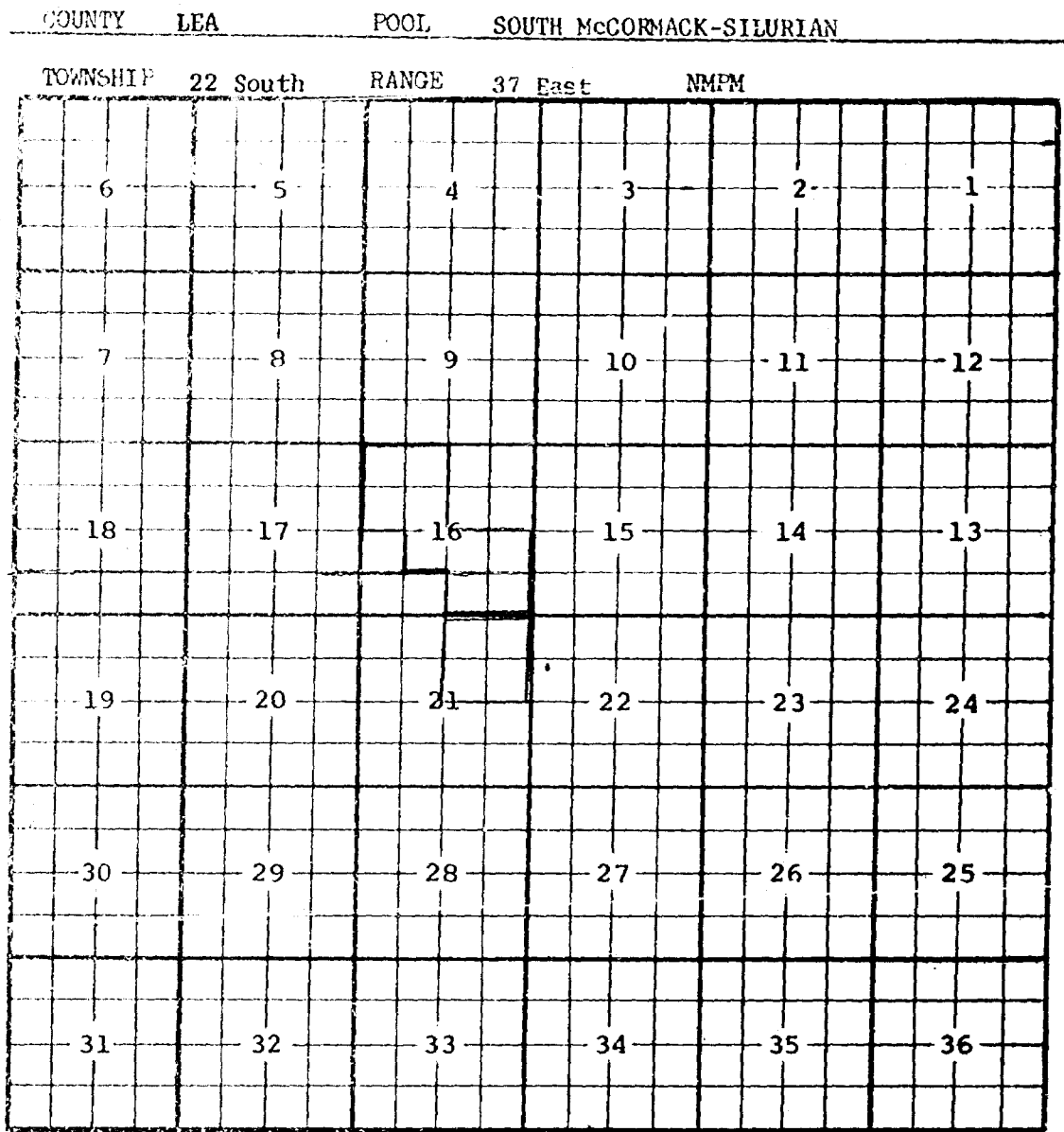
PURPOSE: As stated on preceding page, paragraph (k), Exhibit I.

ADDITION--JACK L. McCLELLAN - Mary Jane Federal #1 in Unit L of Section
7-15-30. Completed in Queen on November 1, 1970. Depth to
Casing Shoe 1988'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 7: SW/4

CASE 4472: (1) EXTENSION OF AN EXISTING OIL POOL



PURPOSE: One completed oil well capable of producing.

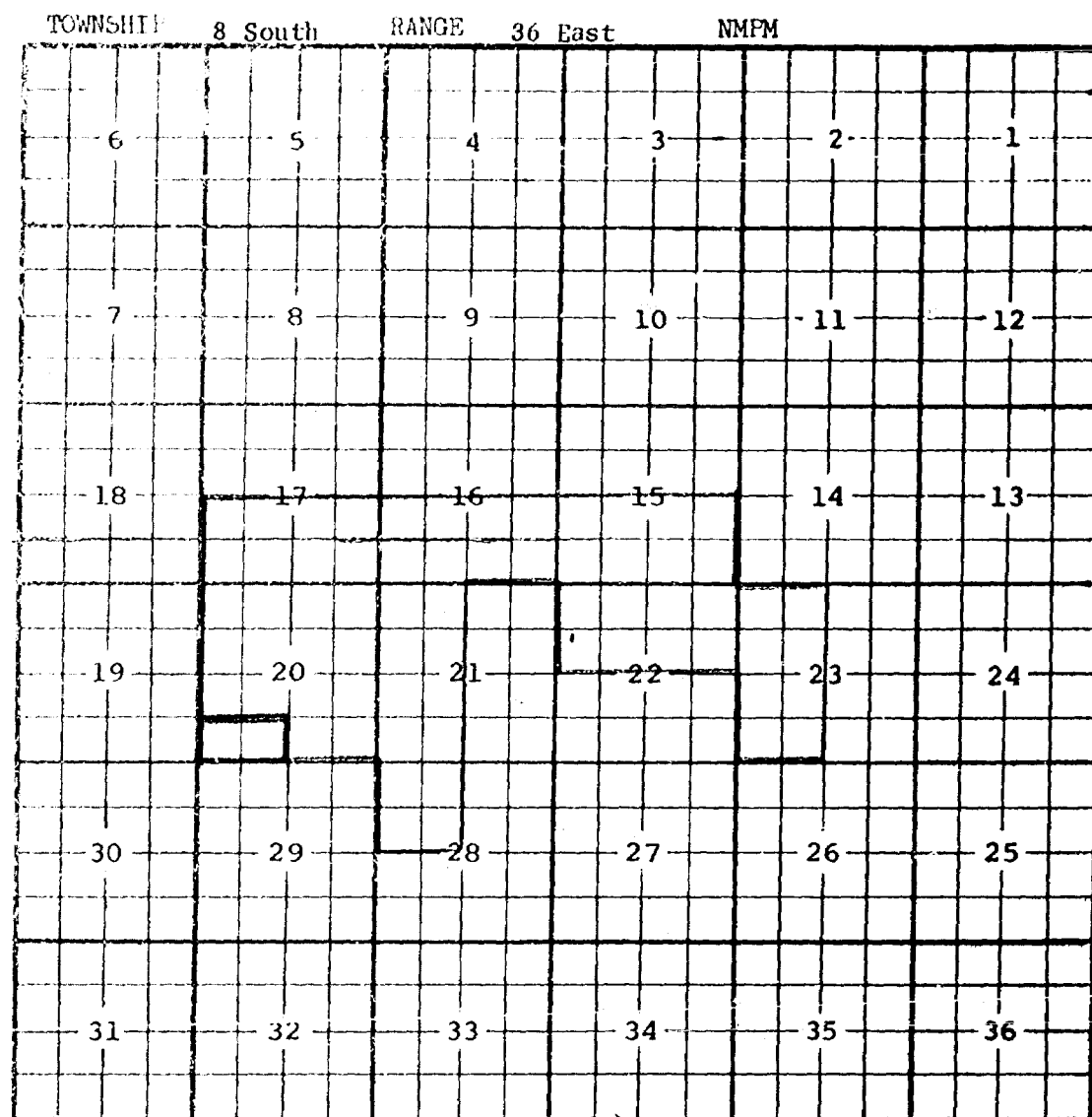
STOLTZ, WAGNER & BROWN - Walden #1 in Unit A of Section 21-22-37. Completed in Silurian on October 21, 1970. Top of Perforations 7104'.

Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 21: NE/4

CASE 4472: (m) EXTENSION OF AN EXISTING OIL POOL

COUNTY ROOSEVELT POOL SOUTH PRAIRIE-CISCO



PURPOSE: One completed oil well capable of producing.

AMERICAN PETROFINA COMPANY OF TEXAS - Federal "E" #2 in Unit N of Section 20-8-36. Completed in Bough C on November 8, 1970. Top of Perforations 9740'.

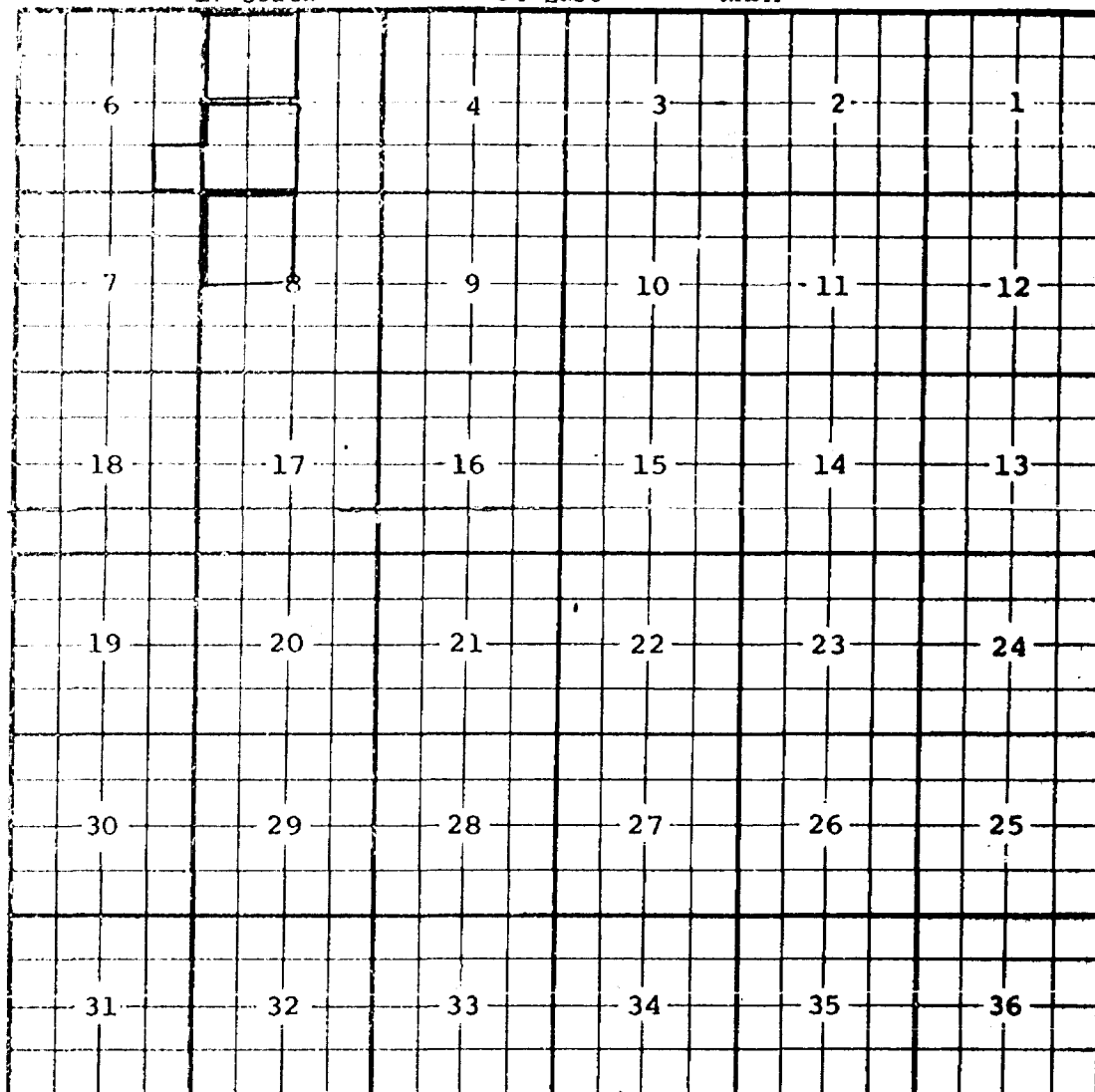
Pool boundary colored in red.

Proposed pool extension colored in green. SECTION 20: S/2 SW/4

CASE 4472: (n) EXTENSION OF AN EXISTING OIL POOL

COUNTY LEA POOL NORTHWEST VACUUM-WOLFCAMP

TOWNSHIP 17 South RANGE 34 East NMPM



PURPOSE: One completed oil well capable of producing.

PENNZOIL UNITED, INC. - Gallagher "8" State #1 in Unit D of Section 8-17-34. Completed in Wolfcamp on August 9, 1970. Top of Perforations 10,929'.

ADDITION--J. C. BARNES OIL COMPANY - Lea State #1 in Unit F of Section 5-17-34. Completed in Wolfcamp on November 4, 1970. Top of Perforations 10,169'.

Pool boundary colored in red.

Proposed pool extensions colored in green. SECTION 8: NW/4

ADDITION-----SECTION 5: NW/4

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

Form C-109
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.

4472

Operator TEXACO Inc.		Address P.O. BOX 728 - HOBBS, NEW MEXICO 88240	
Lease Name L. HARRIS FEDERAL		Well No. 1	County ROOSEVELT
Well Location Unit Letter I ; 660 Feet from The EAST Line and 1900 Feet From the SOUTH Line of Section 22 , Township 7 SOUTH , Range 35 EAST , NMPM			
Suggested Pool Names (List in order of preference) 1. BRAVO WOLFCAMP 2. SANDS WOLFCAMP 3. TODD WOLFCAMP			
Name of Producing Formation WOLFCAMP		Perforations 7605-14, 7617-26 (2 JSPF)	Date of Filing Form C-104 10-28-70
Was "Affidavit of Discovery" Previously Filed For This Well in this Pool? NO		If Yes, Give Date of Filing	Date Well was Spudded 9-16-70
Total Depth 7960		Plugged Back Depth 7924	Depth Casing Shoe 7960
Tubing Depth 7542		Elevation (Gr., DF, RKB, RT, etc.) 4202' (Gr)	
Oil Well Potential (Test to be taken only after all load oil has been recovered) 221 Bbls, Oil Per Day Based On 221 Bbls In 24 Hours; 0 Bbls Water Per Day Based On 0 Bbls In 24 Hours; Gas Production During Test: TSTN MCF; Gas-Oil Ratio: TSTN 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 TODD	Name of Producing Formation SAN ANDRES	Top of Pay 4120	Bottom of Pay 4310	Currently Producing? Yes
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Pool 1900 NORTHWEST		Vertical Distance from Subject Discovery Zone to Producing Interval this Pool 3295		

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

Pool Name BLUITT	Top of Pay 7980	Bottom of Pay 8150	Currently Producing? YES
Horizontal Distance and Direction from Subject Discovery Well to the Nearest Well in this Comparable Pool 9 MILES EAST			

Is "County Deep" Discovery Allowable Requested for Subject Discovery Well?	If Yes, Give Name, Location, and Depth of Next Deepest Oil Production in the County
--	---

Is the Subject Well Multiple Completion?	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
J. L. McCLELLAN	P.O. BOX 848 - ROSWELL, NEW MEXICO
FRANKLIN, ASTON & FAIR	P.O. BOX 1090 - ROSWELL, NEW MEXICO
OLEN F. FEATHERSTONE	1717 W. 2ND, ROSWELL, NEW MEXICO

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.

Assistant Dist. Supt.

November 3, 1970

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. 4472
ORDER NO. R- 4080

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on December 16, 1970, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, herein-after referred to as the "Commission".

NOW, on this day of December, 1970, 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 Roosevelt County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of Todd-Wolfcamp Pool. Further, that the discovery well for said pool, the Texaco, Inc. L. Harris Federal Well No. 1, located in Unit I of Section 22, Township 7 South, Range 35 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 38,025 barrels to be assigned over a two-year period. Said discovery well was completed in the Abo formation on October 20, 1970. The top of the perforations is at 7605 feet.

(3) That there is need for the creation of a new gas pool in Eddy County, New Mexico, for the production of gas from the Bone Spring formation, said pool to bear the designation of Black River-Bone Spring Gas Pool. Said Black River-Bone Spring Gas Pool was discovered by the Pennzoil United, Inc., O'Neill Federal Well No. 1, located in Unit L of Section 11, Township 24 South, Range 26 East, NMPM. It was completed in the Bone Spring formation on August 6, 1970. The top of the perforations is at 5325 feet.

(4) That there is need for the creation of a new oil pool in Eddy County, New Mexico, for the production of oil from the Yeso formation, said pool to bear the designation of Indian Basin-Yeso Pool. Said Indian Basin-Yeso Pool was discovered by the Marathon Oil Company Indian Basin E Well No. 2, located in Unit K of Section 27, Township 21 South, Range 23 East, NMPM. It was completed in the Yeso formation on August 6, 1970. The top of the perforations is at 2333 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 Permo Pennsylvanian formation, said pool to bear the designation of East Morton-Permo Pennsylvanian Pool. Said East Morton-Permo Pennsylvanian Pool was discovered by the Samedan Oil Corporation Gulf State Well No. 1, located in Unit A of Section 4, Township 15 South, Range 35 East, NMPM. It was completed in the Permo Pennsylvanian formation on October 5, 1970. The top of the perforations is at 10,494 feet. This is to be dismissed pending further study.

(6) That there is need for the contraction of the Square Lake Pool in Eddy County, New Mexico, by the deletion of certain acreage in order that said deleted acreage may be placed in the Grayburg Jackson Pool to facilitate a proposed waterflood.

(5) That the proposed creation of a new pool in Section 4, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico, for the production of oil from the Permo-Pennsylvanian formation should be dismissed pending further study.

That the discovery well for said pool, the Texaco Inc.
L. Harris Federal Well No. 1, located in Unit I of Section 22,
Township 7 South, Range 35 East, NMPM, is hereby authorized
an oil discovery allowable of 38,025 barrels to be assigned
to said well at the rate of 57 barrels per day in accordance
with Rule 509 of the Commission Rules and Regulations

Township South, Range East, NMPM

County Pool

(d) That the proposed creation of a new pool in Lea County, New Mexico, classified as an oil pool for Permo-Pennsylvanian production and designated as the East Morton Permo-Pennsylvanian Pool, consisting of the following described area:

Township 15 South, Range 35 East, NMPM
Section 4: NE 1/4

is hereby dismissed.

(7) That there is need for certain extensions to the ~~Buffalo Valley-Pennsylvanian Gas Pool~~ and the Double L-Queen Pool, both in Chaves County, New Mexico, the Atoka-Pennsylvanian Gas Pool, the South Carlsbad-Morrow Gas Pool, and the Grayburg-Jackson Pool, all in Eddy County, New Mexico, the South McCormack-Silurian Pool and the Northwest Vacuum-Wolfcamp Pool, both in Lea County, New Mexico, the Chaveroo-San Andres Pool and the South Prairie-Cisco Pool, both in Roosevelt County, New Mexico. *Further, that the proposed extension to the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, IT IS THEREFORE ORDERED: New Mexico, should be dismissed.*

and the Double L-Queen Pool, both

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

TOWNSHIP 7 SOUTH, RANGE 35 EAST, NMPM
SECTION 22: NE/4 SE/4

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

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
SECTION 11: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM
SECTION 27: NE/4 SW/4

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

TO BE
DISMISSED

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
SECTION 4: NE/4

(e) That the Square Lake Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: SE/4 SE/4
SECTION 13: N/2

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
SECTION 12: SE/4 SE/4
SECTION 13: N/2

(g) That the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
SECTION 19: W/2

(h) That the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
SECTION 6: W/2

(h) That the proposed extension of the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined and described, to include therein:

Township 15 South, Range 28 East, NMPM.
Section 6: W/2

is hereby dismissed.

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

✓ TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
SECTION 11: All

(j) That the Chaveroo-San Andres Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 7 SOUTH, RANGE 32 EAST, NMPM
SECTION 23: SW/4

(k) 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 25: SW/4 SE/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
SECTION 7: SW/4

(l) That the South McCormack-Silurian 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 21: NE/4

(m) That the South Prairie-Cisco Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

✓ TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
SECTION 20: S/2 SW/4

(n) That the Northwest Vacuum-Wolfcamp 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 5: NW/4
SECTION 8: NW/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 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, contractions, and extensions included herein shall be January 1, 1971.

(k) That the proposed extension of the Double L-Queen Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, to include therein:

Township 14 South, Range 29 East, NMPM,

Section 25: SW/4 SE/4

Township 15 South, Range 30 East, NMPM,

Section 7: SW/4 Omit

is hereby dismissed.

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