

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11430
Order No. R-10518

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on November 17, 1995, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 20th day of November, 1995, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Southeast Big Sinks-Delaware Pool. Said Southeast Big Sinks-Delaware Pool was discovered by the Yates Petroleum Corporation Almost Texas Unit Well No. 1 located in Unit N of Section 2, Township 26 South, Range 31 East, NMPM. It was completed in the Delaware formation on August 21, 1995. The top of the perforations is at 7,423 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Culebra

Bluff-Strawn Gas Pool. Said Culebra Bluff-Strawn Gas Pool was discovered by the Hallwood Petroleum Inc. Williams "35" Com. Well No. 1 located in Unit C of Section 35, Township 23 South, Range 28 East, NMPM. It was completed in the Strawn formation on August 25, 1995. The top of the perforations is at 11,470 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Southwest Forehand Ranch-Wolfcamp Pool. Said Southwest Forehand Ranch-Wolfcamp Pool was discovered by the Maralo, Inc. State DC Com. "30" Well No. 1 located in Unit G of Section 30, Township 23 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on September 27, 1995. The top of the perforations is at 9,547 feet.

(5) There is need for the contraction of the Indian Basin-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, in order to correct pool nomenclature. The deleted acreage should be placed in the Indian Basin-Upper Pennsylvanian Associated Pool.

(6) There is need for certain extensions to the Indian Basin-Upper Pennsylvanian Associated Pool, the Corral Draw-Bone Spring Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the McMillan-Atoka Gas Pool, and the McMillan-Morrow Gas Pool, all in Eddy County, New Mexico, and the Southeast Acme-San Andres Pool in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
Section 2: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 35: N/2

(c) A new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the Southwest Forehand Ranch-Wolfcamp Pool, consisting of the following described area:

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TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 30: NE/4

(d) The Indian Basin-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 33: S/2

(e) The Indian Basin-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 33: S/2

(f) The Southeast Acme-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 13: SW/4

(g) The Corral Draw-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 21: NE/4

(h) The North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 9: SE/4 and NW/4
Section 10: SW/4
Section 21: SE/4
Section 22: SW/4
Section 32: NE/4

(i) The McMillan-Atoka Gas Pool in Eddy County, New Mexico, as heretofore

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classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 20: N/2
Section 21: N/2

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

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM
Section 23: SE/4
Section 26: N/2

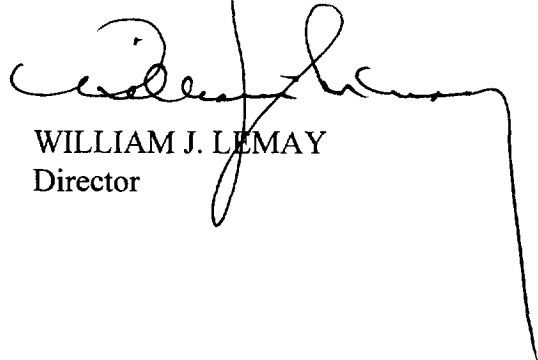
IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Form C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, contractions, and extensions included herein shall be December 1, 1995.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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