

Entered May 28, 1982
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7587
Order No. R-6994

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9:00 a.m. on May 12, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of May, 1982, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.
- (2) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Draper Mill-Wolfcamp Gas Pool. Said Draper Mill-Wolfcamp Gas Pool was discovered by the HNG Oil Company Vaca Draw 16 State Well No. 1 located in Unit E of Section 16, Township 25 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on February 25, 1982. The top of the perforations is at 13,714 feet.
- (3) That there is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Jabalina-Morrow Gas Pool. Said Jabalina-Morrow Gas Pool was discovered by the Amoco Production Company Perro Grande Unit Well No. 1 located in Unit J of Section 6, Township 26 South, Range 35 East, NMPM.

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It was completed in the Morrow formation on September 12, 1981. The top of the perforations is at 15,765 feet.

(4) That there is need for the abolishment of the Diamond Mound-Morrow Gas Pool in Chaves and Eddy Counties, New Mexico, and the productive acreage will be placed in the redesignated Diamond Mound Atoka-Morrow Gas Pool.

(5) That there is need for the extension of the vertical limits of the Diamond Mound-Atoka Gas Pool in Chaves and Eddy Counties, New Mexico, to include the Morrow formation and the redesignation of said Diamond Mound-Atoka Gas Pool to Diamond Mound Atoka-Morrow Gas Pool. Further, that the horizontal limits of the Diamond Mound Atoka-Morrow Gas Pool should be extended to include productive acreage from the abolished Diamond Mound-Morrow Gas Pool.

(6) That there is need for certain extensions to the Pecos Slope-Abo Gas Pool, the West Pecos Slope-Abo Gas Pool, the Sand Ranch-Morrow Gas Pool, the Tom-Tom San Andres Pool, and the Twin Lakes-San Andres Associated Pool, all in Chaves County, New Mexico, and the Burton Flat-Strawn Gas Pool, the Crow Flats-Morrow Gas Pool, the South Culebra Bluff-Atoka Gas Pool, the South Empire-Morrow Gas Pool, the Golden Lane-Strawn Gas Pool, the Kennedy Farms-Morrow Gas Pool, the Little Box Canyon-Morrow Gas Pool, the Malaga-Atoka Gas Pool, the South Millman-Morrow Gas Pool, the East Millman Queen-Grayburg Pool, the Millman-Strawn Gas Pool, the East Red Lake Queen-Grayburg Pool, and the Turkey Track-Morrow Gas Pool, all in Eddy County, New Mexico, and the East LaRica-Morrow Gas Pool, the West Nadine-Blinebry Pool, the West Osudo-Morrow Gas Pool, the Sawyer-San Andres Associated Pool, and the South Vacuum-Wolfcamp Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(a) That a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production is hereby created and designated as the Draper Mill-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 16: W/2

(b) That a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production is hereby created and designated as the Jabalina-Morrow Gas Pool, consisting of the following

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described area:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM
Section 6: E/2

(c) That the Diamond Mound-Morrow Gas Pool in Chaves and Eddy Counties, New Mexico, consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 31: E/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 3: Lots 1 through 16
Section 4: Lots 1 through 16
Section 5: Lots 1 through 16
Section 6: Lots 1, 2, 7, 8, 9, 10,
15, 16, and S/2

is hereby abolished.

(d) That the vertical limits of the Diamond Mound-Atoka Gas Pool in Chaves and Eddy Counties, New Mexico, as heretofore classified, defined, and described, are hereby extended to include the Morrow formation and the pool redesignated as the Diamond Mound Atoka-Morrow Gas Pool, and the horizontal limits of said pool extended to include the following described area:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 35: All

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 31: E/2

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 9: S/2

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 3: Lots 1 through 16
Section 4: Lots 1 through 16
Section 5: Lots 1 through 16
Section 6: Lots 1, 2, 7, 8, 9, 10,
15, 16, and S/2

(e) That the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 35: E/2
Section 36: N/2

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 1: All
Section 12: N/2

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 10: All
Section 11: W/2
Section 14: W/2
Section 15: W/2
Section 34: W/2

(h) That the South Empire-Morrow Gas 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 17: N/2

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

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 28: All

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 10: N/2

(k) That the East LaRica-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 36: S/2

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 31: S/2

(l) That the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
Section 18: E/2

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

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 11: E/2

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 16: N/2

(o) That the East Millman Queen-Grayburg Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 7: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 8: S/2

(q) That the West Nadine-Blinebry Pool in Lea County, New Mexico, as heretofore classified, defined, and described,

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is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 5: SW/4

(r) That the West Osudo-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 11: S/2
Section 12: S/2

(s) That the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 4 SOUTH, RANGE 24 EAST, NMPM
Section 24: S/2
Section 25: All
Section 26: E/2
Section 35: W/2 and NE/4
Section 36: N/2

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM
Section 19: SW/4
Section 30: W/2
Section 31: NW/4

TOWNSHIP 5 SOUTH, RANGE 24 EAST, NMPM
Section 2: NW/4
Sections 7 and 8: All
Section 9: N/2 and SW/4
Section 16: W/2
Sections 17 through 20: All
Section 21: W/2
Section 28: W/2
Sections 29 and 30: All
Section 31: N/2
Section 32: N/2
Section 33: NW/4

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM
Sections 1 through 5: All
Section 6: E/2
Section 7: SW/4 and E/2
Sections 8 through 12: All
Sections 14 through 22: All
Section 23: N/2
Section 27: N/2
Sections 28 through 30: All
Section 31: NE/4
Section 32: N/2
Sections 33 and 34: All

TOWNSHIP 6 SOUTH, RANGE 24 EAST, NMPM

Section 2: All
Sections 11 through 14: All
Sections 22 through 28: All
Section 34: E/2
Sections 35 and 36: All

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM

Sections 4 through 6: All
Sections 7 and 8: All
Section 9: N/2
Sections 17 through 20: All
Sections 29 through 32: All

TOWNSHIP 7 SOUTH, RANGE 24 EAST, NMPM

Sections 1 and 2: All
Section 3: E/2
Sections 9 through 15: All
Sections 22 through 27: All
Sections 34 through 36: All

TOWNSHIP 7 SOUTH, RANGE 25 EAST, NMPM

Section 6: W/2
Section 7: S/2
Section 13: SW/4
Section 14: S/2
Section 15: S/2
Sections 18 and 19: All
Section 20: S/2
Sections 22 through 27: All
Sections 29 through 32: All
Sections 34 through 36: All

TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM

Sections 5 and 6: All
Sections 7 through 10: All
Section 11: W/2
Sections 15 through 17: All
Section 18: N/2
Sections 19 through 22: All
Sections 28 through 32: All

TOWNSHIP 8 SOUTH, RANGE 24 EAST, NMPM

Sections 1 through 3: All
Section 10: E/2
Sections 11 and 12: All

TOWNSHIP 8 SOUTH, RANGE 25 EAST, NMPM

Sections 1 through 12: All
Sections 13 through 16: N/2

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TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM
Section 6: W/2

(t) That the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM
Section 23: SE/4
Section 24: S/2 and NE/4
Sections 25 through 27: All
Section 28: E/2

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM
Sections 3 through 5: All
Section 6: N/2
Sections 8 through 10: N/2
Section 17: W/2
Section 18: SE/4
Section 19: All
Section 20: W/2
Section 29: W/2
Sections 30 and 31: All
Section 32: W/2

TOWNSHIP 9 SOUTH, RANGE 23 EAST, NMPM
Section 3: W/2
Sections 4 and 5: All
Section 6: E/2
Section 8: All

(u) That the East Red Lake Queen-Grayburg Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 25: E/2 NE/4 and NE/4 SE/4

(v) That the Sand Ranch-Morrow Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 29 EAST, NMPM
Section 26: All

(w) That the Sawyer-San Andres Associated Pool in Lea County, New Mexico, as heretofore classified, defined, and

described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 38 EAST, NMPM
Section 4: SW/4

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

TOWNSHIP 8 SOUTH, RANGE 31 EAST, NMPM
Section 7: All

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 2: W/2
Section 7: N/2

(z) That the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM
Section 18: N/2 SE/4 and SE/4 SE/4

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

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 16: SE/4

IT IS FURTHER ORDERED:

(1) That 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

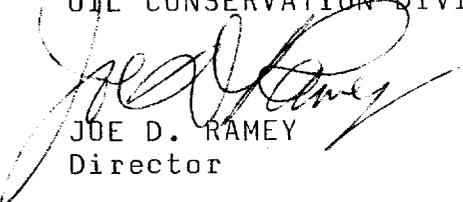
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a non-standard unit approved by the Division within said 60-day period shall subject the well to cancellation of the allowable.

(2) That the effective date of this order and all creations, abolishments, and extensions included therein shall be June 1, 1982.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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