

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. 8625
Order No. R-7959

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on June 5, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 12th day of June, 1985, 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 Lea County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of West Antelope Ridge-Bone Spring Pool. Said West Antelope Ridge-Bone Spring Pool was discovered by the Curry Resources Curry State Well No. 1 located in Unit A of Section 22, Township 23 South, Range 34 East, NMPM. It was completed in the Bone Spring formation on December 30, 1984. The top of the perforations is at 9,107 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Bilbrey-Atoka Gas Pool. Said Bilbrey-Atoka Gas Pool was discovered by the Getty Oil Company Bilbrey Federal Com Well No. 1

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located in Unit C of Section 4, Township 22 South, Range 32 East, NMPM. It was completed in the Atoka formation on April 1, 1985. The top of the perforations is at 13,714 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Pennsylvanian formation, said pool to bear the designation of South Button Mesa-Pennsylvanian Pool. Said South Button Mesa-Pennsylvanian Pool was discovered by the Yates Petroleum Corporation Patton AAR State Well No. 1 located in Unit I of Section 5, Township 9 South, Range 32 East, NMPM. It was completed in the Pennsylvanian formation on January 9, 1985. The top of the perforations is at 8,954 feet.

(5) There is need for the creation of a new pool in Roosevelt County, New Mexico, for the production of gas from the Cisco formation, said pool to bear the designation of East New Hope-Cisco Gas Pool. Said East New Hope-Cisco Gas Pool was discovered by the L&B Oil Company Boys Ranch Well No. 1 located in Unit O of Section 29, Township 6 South, Range 34 East, NMPM. It was completed in the Cisco formation on January 18, 1985. The top of the perforations is at 7,710.5 feet.

(6) There is need for certain extensions to the West Caprock-Morrow Gas Pool and the Tom-Tom San Andres Pool, both in Chaves County, New Mexico, and the Arkansas Junction-San Andres Pool, the EK-Bone Spring Pool, the Eunice Monument Grayburg-San Andres Pool, the Northeast Lovington-Pennsylvanian Pool, the Mescalero Escarpe-Bone Spring Pool, the Saunders-Permo Upper Pennsylvanian Pool, the East Skaggs-Abo Pool, and the North Young-Bone Spring Pool, all in Lea County, New Mexico, and the South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the West Antelope Ridge-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 22: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 4: N/2

(c) A new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production is hereby created and designated as the South Button Mesa-Pennsylvanian Pool, consisting of the following described area:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 5: SE/4

(d) A new pool in Roosevelt County, New Mexico, classified as a gas pool for Cisco production is hereby created and designated as the East New Hope-Cisco Gas Pool, consisting of the following described area:

TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM
Section 29: S/2

(e) The Arkansas Junction-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 36 EAST, NMPM
Section 13: NW/4

(f) The West Caprock-Morrow Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM
Section 14: E/2

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 36: NW/4

(h) The Eunice Monument Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM
Section 32: NE/4

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(i) The Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 28: NE/4

(j) The Mescalero Escarpe-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 11: NE/4

(k) The South Peterson-Pennsylvanian Associated Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 6 SOUTH, RANGE 34 EAST, NMPM
Section 17: W/2

(l) The Saunders-Permo Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 10: NE/4

(m) The East Skaggs-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 19: S/2 NE/4 and SE/4
Section 20: SW/4
Section 29: NW/4

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

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 35: SE/4

(o) The North Young-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 7: SE/4

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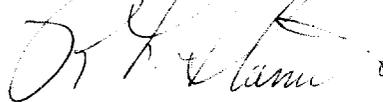
IT IS FURTHER ORDERED THAT:

(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 and extensions included herein shall be July 1, 1985.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



R. L. STAMETS
Director

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