

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. 8815
Order No. R-8138

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING 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 January 22, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 23rd day of January, 1986, 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 gas from the Wolfcamp formation, said pool to bear the designation of West Burton Flat-Wolfcamp Gas Pool. Said West Burton Flat-Wolfcamp Gas Pool was discovered by the TXO Production Corporation McMillan Federal Com Well No. 1 located in Unit J of Section 14, Township 20 South, Range 27 East, NMPM. It was completed in the Wolfcamp formation on November 1, 1985. The top of the perforations is at 8,622 feet.

(3) 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 Gatuna Canyon-Wolfcamp Pool. Said Gatuna Canyon-Wolfcamp Pool was discovered by the J. C. Williamson Canter Federal Well No. 2 located in Unit A of Section 10, Township 20

-2-

Case No. 8815
Order No. R-8138

South, Range 29 East, NMPM. It was completed in the Wolfcamp formation on September 9, 1985. The top of the perforations is at 9,431 feet.

(4) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Fusselman formation, said pool to bear the designation of Red Lake Ridge-Fusselman Gas Pool. Said Red Lake Ridge-Fusselman Gas Pool was discovered by the Stevens Operating Corporation Lynx Well No. 1 located in Unit G of Section 19, Township 8 South, Range 29 East, NMPM. It was completed in the Fusselman formation on July 16, 1984. The top of the perforations is at 6,852 feet. This paragraph should be dismissed pending further study.

(5) 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 East Ross Draw-Delaware Pool. Said East Ross Draw-Delaware Pool was discovered by the J. C. Williamson Ross Draw Unit Well No. 15 located in Unit M of Section 26, Township 26 South, Range 30 East, NMPM. It was completed in the Delaware formation on November 15, 1985. The top of the perforations is at 6,384 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Bone Spring formation, said pool to bear the designation of North Shugart-Bone Spring Pool. Said North Shugart-Bone Spring Pool was discovered by the Harvey E. Yates Company Hondo 4 Federal Well No. 3 located in Unit P of Section 4, Township 18 South, Range 31 East, NMPM. It was completed in the Bone Spring formation on November 11, 1985. The top of the perforations is at 8,286 feet.

(7) There is need for certain extensions to the High Lonesome-Queen Pool, the Red Lake Queen-Grayburg-San Andres Pool, the Atoka Glorieta-Yeso Pool, the East Avalon-Bone Spring Pool, the South Carlsbad-Morrow Pool and the Brushy Draw-Delaware Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 14: E/2

-3-

Case No. 8815
Order No. R-8138

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 10: NE/4 NE/4

(c) The proposed new pool creation in Chaves County, New Mexico, to be designated as the Red Lake Ridge-Fusselman Gas Pool, is hereby dismissed.

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

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 26: SW/4

(e) A new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the North Shugart-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 4: SE/4

(f) The Atoka Glorieta-Yeso 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 25: N/2 NW/4 and N/2 SW/4

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 12: NE/4 NE/4

(h) The High Lonesome-Queen Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 18: SW/4 SE/4
Section 29: N/2 NE/4

-4-

Case No. 8815
Order No. R-8138

(i) The Red Lake Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 11: S/2
Section 12: SW/4 SW/4

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 February 1, 1986.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



R. L. STAMETS
Director

S E A L

fd/