

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. 9242  
Order No. R-8533

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 21, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of October, 1987, 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 gas from the Atoka formation, said pool to bear the designation of EK-Atoka Gas Pool. Said EK-Atoka Gas Pool was discovered by the Sun Exploration and Production Company New Mexico Federal Com Well No. 1 located in Unit H of Section 24, Township 18 South, Range 33 East, NMPM. It was completed in the Atoka formation on March 10, 1987. The top of the perforations is at 12,955 feet.

(3) 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 South Rock Lake-Bone Spring Pool. Said South Rock Lake-Bone Spring Pool was discovered by the Yates Petroleum Corporation Sandwell AEQ State Well No. 1 located in Unit J of Section 9, Township

-2-

Case No. 9242  
Order No. R-8533

23 South, Range 35 East, NMPM. It was completed in the Bone Spring formation on August 4, 1987. The top of the perforations is at 8,752 feet.

(4) There is need for the contraction of the Tubb Oil and Gas Pool in Lea County, New Mexico, because the area to be deleted has never produced from the Tubb formation.

(5) There is need for certain extensions to the North Air Strip-Bone Spring Pool, the Bell Lake-Cherry Canyon Pool, the East Gem-Morrow Gas Pool, the East Hobbs-Blinebry Pool, the Pitchfork Ranch-Atoka Gas Pool, the Quail-Queen Pool, the Querecho Plains-Upper Bone Spring Pool, the Sanmal-Queen Pool, the Shipp-Strawn Pool, and the North Vacuum Atoka-Morrow Gas Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 24: N/2

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

TOWNSHIP 23 SOUTH, RANGE 35 EAST, NMPM  
Section 9: SE/4

(c) The Tubb Oil and Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 11: NW/4

(d) The North Air Strip-Bone Spring 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 15: NE/4 and SW/4

Case No. 9242  
Order No. R-8533

(e) The Bell Lake-Cherry Canyon Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 31: N/2 SW/4 and SE/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM  
Section 2: N/2

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

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM  
Section 29: SW/4

(h) The Pitchfork Ranch-Atoka Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM  
Section 4: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM  
Section 18: S/2

(j) The Querecho Plains-Upper 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 23: NE/4

(k) The Sanmal-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM  
Section 11: NE/4  
Section 12: NW/4

Case No. 9242  
Order No. R-8533

(1) The Shipp-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM  
Section 3: SE/4

(m) The North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM  
Section 17: N/2

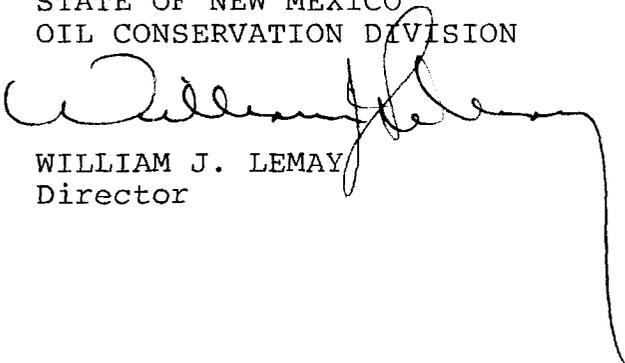
IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, 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 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 November 1, 1987.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L  
fd/