

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. 9315
Order No. R-8603

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 17, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 19th day of February, 1988, 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 Chaves County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of Graham Springs-Devonian Pool. Said Graham Springs-Devonian Pool was discovered by the Bell, Foy & Middlebrook Ltd. Culp Ranch Well No. 1 located in Unit C of Section 11, Township 12 South, Range 30 East, NMPM. It was completed in the Devonian formation on November 12, 1987. The top of the perforations is at 10,251 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of Lane-Abo Pool. Said Lane-Abo Pool was discovered by the Bright & Company State K Well No. 2 located in Unit A of Section

-2-

Case No. 9315
Order No. R-8603

2, Township 10 South, Range 33 East, NMPM. It was completed in the Abo formation on December 17, 1987. The top of the perforations is at 8,788 feet.

(4) There is need for the contraction of the vertical limits of the East Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include only the Cisco and Canyon formations and for the redesignation of said East Lovington-Pennsylvanian Pool as the East Lovington-Upper Pennsylvanian Pool.

(5) There is need for certain extensions to the Casey-Strawn Pool, the Hobbs-Blinebry Pool, the Northeast Lovington-Pennsylvanian Pool, the Maljamar Grayburg-San Andres Pool, the Monument-Blinebry Pool, the Shipp-Strawn Pool, the South Shoe Bar-Atoka Gas Pool, and the West Tonto-Bone Spring Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production is hereby created and designated as the Graham Springs-Devonian Pool, consisting of the following described area:

TOWNSHIP 12 SOUTH, RANGE 30 EAST, NMPM
Section 11: NW/4

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

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 2: NE/4

(c) The vertical limits of the East Lovington-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, are hereby contracted to include only the Cisco and Canyon formations, and said pool is hereby redesignated as the East Lovington-Upper Pennsylvanian Pool.

(d) The Casey-Strawn 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 26: S/2

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

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 33: SW/4

(f) 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 10: NE/4

(g) The Maljamar Grayburg-San Andres 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 13: SE/4
Section 23: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 8: SE/4

(i) The Shipp-Strawn 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 32: SE/4
Section 33: SW/4

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 5: N/2

(j) The South Shoe Bar-Atoka 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 15: S/2

-4-

Case No. 9315
Order No. R-8603

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 7: NW/4

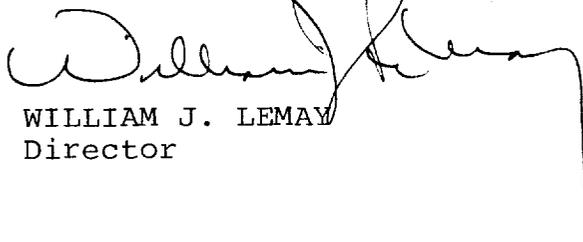
IT IS FURTHER ORDERED THAT:

(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 a new Form 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 of vertical limits, redesignations, and extensions included herein shall be March 1, 1988.

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/