

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. 10333
Order No. R-9544

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING 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 June 13, 1991, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 1st day of July, 1991, 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 Wolfcamp formation, said pool to bear the designation of Baum-Wolfcamp Pool. Said Baum-Wolfcamp Pool was discovered by the Petroleum Production Management, Inc. State 19 Well No. 1 located in Unit I of Section 19, Township 13 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on September 8, 1990. The top of the perforations is at 9,369 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of North Bell Lake-Delaware Pool. Said North Bell Lake-Delaware Pool was discovered by the Ray Westall Federal 30 Well No. 1 located in Unit G of Section 30, Township

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23 South, Range 34 East, NMPM. It was completed in the Delaware formation on April 15, 1991. The top of the perforations is at 8,353 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Diamondtail-Delaware Pool. Said Diamondtail-Delaware Pool was discovered by the Strata Production Company Urraca Federal Well No. 1 located in Unit N of Section 11, Township 23 South, Range 32 East, NMPM. It was completed in the Delaware formation on March 18, 1991. The top of the perforations is at 6,618 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Blinebry formation, said pool to bear the designation of House-Blinebry Pool. Said House-Blinebry Pool was discovered by the Seay Exploration Inc. House Well No. 1 located in Unit D of Section 13, Township 20 South, Range 38 East, NMPM. It was completed in the Blinebry formation on February 28, 1991. The top of the perforations is at 6,008 feet.

(6) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Seven Rivers formation, said pool to bear the designation of West Pearl-Seven Rivers Pool. Said West Pearl-Seven Rivers Pool was discovered by the Hondo Oil and Gas Company West Pearl Federal Well No. 1 located in Unit L of Section 27, Township 19 South, Range 34 East, NMPM. It was completed in the Seven Rivers formation on April 15, 1991. The top of the perforations is at 3,884 feet.

(7) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Upper Pennsylvanian formation, said pool to bear the designation of East Red Tank-Cisco Canyon Gas Pool. Said East Red Tank-Cisco Canyon Gas Pool was discovered by the Mercury Exploration Company Connally Federal Well No. 1 located in Unit J of Section 15, Township 22 South, Range 32 East, NMPM. It was completed in the Upper Pennsylvanian formation on March 15, 1991. The top of the perforations is at 13,290 feet.

(8) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the

San Andres formation, said pool to bear the designation of North Young-San Andres Pool. Said North Young-San Andres Pool was discovered by the Meridian Oil Inc. Mitchell 16 State Well No. 3 located in Unit G of Section 16, Township 18 South, Range 32 East, NMPM. It was completed in the San Andres formation on March 10, 1991. The top of the perforations is at 4,569 feet.

(9) There is need for certain extensions to the Bilbrey-Morrow Gas Pool, the Brinninstool-Bone Spring Pool, the Buffalo-Yates Pool, the South Corbin-Wolfcamp Pool, the EK-Delaware Pool, the East Lusk-Delaware Pool, the Paddock Pool, the North Pearl-Morrow Gas Pool, the Scharb-Queen Pool, the South Shoe Bar-Upper Pennsylvanian Pool, the Sombrero-Morrow Gas Pool, the South Tonto Yates-Seven Rivers Pool, the Wantz-Abo Pool, the North Young-Bone Spring Pool and the North Young-Wolfcamp Pool.

(10) The effective date of this order and all creations and extensions included herein should be July 1, 1991.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 19: SE/4

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

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 30: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 11: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 13: NW/4

(e) A new pool in Lea County, New Mexico, classified as an oil pool for Seven Rivers production is hereby created and designated as the West Pearl-Seven Rivers Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 27: SW/4

(f) A new pool in Lea County, New Mexico, classified as a gas pool for Upper Pennsylvanian production is hereby created and designated as the East Red Tank-Cisco Canyon Gas Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 15: S/2

(g) A new pool in Lea County, New Mexico, classified as an oil pool for San Andres production is hereby created and designated as the North Young-San Andres Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 16: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 31: E/2
Section 34: N/2

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

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 2: SW/4
Section 10: NE/4
Section 11: NW/4

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(j) The Buffalo-Yates 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 36: SE/4

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 1: NE/4

(k) The South Corbin-Wolfcamp 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 5: S/2
Section 7: SW/4

(l) The EK-Delaware 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 19: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 35: NE/4

(n) The Paddock Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 17: E/2

(o) The North Pearl-Morrow Gas 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 35: NE/4
Section 36: W/2

(p) The Scharb-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 4: S/2

(q) The South Shoe Bar-Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 36: SE/4

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 10: N/2
Section 11: N/2

(s) The South Tonto Yates-Seven Rivers 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 31: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 11: SE/4

(u) 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 3: NW/4

(v) The North Young-Wolfcamp 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 17: W/2

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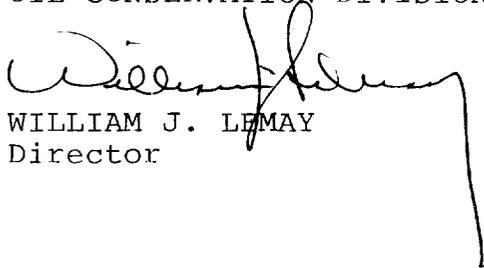
IT IS FURTHER ORDERED THAT:

(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, 1991.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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