

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. 10343
Order No. R-9545

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 June 27, 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 Chaves County, New Mexico, for the production of gas from the Abo formation, said pool to bear the designation of Border Hill-Abo Gas Pool. Said Border Hill-Abo Gas Pool was discovered by the Yates Petroleum Corporation Salt Creek Unit Well No. 2 located in Unit G of Section 1, Township 8 South, Range 21 East, NMPM. It was completed in the Abo formation on March 29, 1991. The top of the perforations is at 3,357 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Calabaza Draw-Atoka Gas Pool. Said Calabaza Draw-Atoka

Gas Pool was discovered by the Yates Petroleum Corporation Lake Shore XH Federal Com. Well No. 1 located in Unit F of Section 11, Township 21 South, Range 26 East, NMPM. It was completed in the Atoka formation on February 9, 1991. The top of the perforations is at 10,484 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of Cedar Lake-Strawn Pool. Said Cedar Lake-Strawn Pool was discovered by the Mewbourne Oil Company Loco Hills State Well No. 1 located in Unit M of Section 2, Township 18 South, Range 30 East, NMPM. It was completed in the Strawn formation on February 18, 1991. The top of the perforations is at 10,614 feet.

(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 Harroun Ranch-Delaware Pool. Said Harroun Ranch-Delaware Pool was discovered by the Texaco Production Inc. Malaga Harroun 31 Well No. 1 located in Unit G of Section 31, Township 23 South, Range 29 East, NMPM. It was completed in the Delaware formation on February 4, 1991. The top of the perforations is at 6,360 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Cisco formation, said pool to bear the designation of Indian Loafer Draw-Upper Pennsylvanian Gas Pool. Said Indian Loafer Draw-Upper Pennsylvanian Gas Pool was discovered by the Oxy USA, Inc. Little Box Canyon Well No. 2 located in Unit O of Section 12, Township 21 South, Range 21 East, NMPM. It was completed in the Cisco formation on January 9, 1991. The top of the perforations is at 5,858 feet.

(7) 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 Lost Tank-Delaware Pool. Said Lost Tank-Delaware Pool was discovered by the Yates Petroleum Corporation Lost Tank AIS State Well No. 3 located in Unit N of Section 36, Township 21 South, Range 31 East, NMPM. It was completed in the Delaware formation on March 20, 1991. The top of the perforations is at 6,783 feet.

(8) 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 Old Millman Ranch-Bone Spring Pool. Said Old Millman Ranch-Bone Spring Pool was discovered by the Strata Production Company Aguila Federal Well No. 1 located in Unit L of Section 4, Township 20 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on February 21, 1991. The top of the perforations is at 6,140 feet.

(9) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Parkway-Atoka Gas Pool. Said Parkway-Atoka Gas Pool was discovered by the Petroleum Corporation of Delaware Superior Federal Well No. 9 located in Unit G of Section 1, Township 20 South, Range 29 East, NMPM. It was completed in the Atoka formation on April 15, 1991. The top of the perforations is at 10,961 feet.

(10) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Abo formation, said pool to bear the designation of Pine Lodge-Abo Gas Pool. Said Pine Lodge-Abo Gas Pool was discovered by the Yates Petroleum Corporation Blackwater Unit Well No. 1 located in Unit D of Section 19, Township 9 South, Range 22 East, NMPM. It was completed in the Abo formation on March 24, 1991. The top of the perforations is at 3,331 feet.

(11) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, said pool to bear the designation of Wood Draw-Morrow Gas Pool. Said Wood Draw-Morrow Gas Pool was discovered by the Nearburg Producing Company Amthyst State Com. Well No. 1 located in Unit E of Section 32, Township 24 South, Range 29 East, NMPM. It was completed in the Morrow formation on February 21, 1991. The top of the perforations is at 13,022 feet.

(12) There is need for certain extensions to the East Burton-Delaware Pool, the Burton Flat-Morrow Gas Pool, the East Burton Flat-Morrow Gas Pool, the Cabin Lake-Delaware Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the South Dagger Draw-Upper Pennsylvanian Associated Pool, the South Empire-Morrow Gas Pool, the Frontier Hills-Strawn Gas Pool, the North

Illinois Camp-Morrow Gas Pool, the East Indian Draw-Delaware Pool, the Laguna Grande-Morrow Gas Pool, the Livingston Ridge-Delaware Pool, the Loco Hills Queen-Grayburg-San Andres Pool, the Los Medanos-Delaware Pool, the Loving-Delaware Pool, the East Loving-Delaware Pool, the South Loving-Delaware Pool, the Mosley Canyon-Strawn Gas Pool, the Nash Draw-Atoka Gas Pool, the Richard Knob Atoka-Morrow Gas Pool, the Salt Draw-Atoka Gas Pool, the Sand Dunes-Atoka Gas Pool, the West Sand Dunes-Atoka Gas Pool, and the Shugart Yates-Seven Rivers-Queen-Grayburg Pool, all in Eddy County, New Mexico.

(13) 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 Chaves County, New Mexico, classified as a gas pool for Abo production is hereby created and designated as the Border Hill-Abo Gas Pool, consisting of the following described area:

TOWNSHIP 8 SOUTH, RANGE 21 EAST, NMPM
Section 1: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 11: N/2

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

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 2: SW/4

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

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 31: NE/4

Case No. 10343
Order No. R-9545

(e) A new pool in Eddy County, New Mexico, classified as a gas pool for Cisco production is hereby created and designated as the Indian Loafer Draw-Upper Pennsylvanian Gas Pool, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM
Section 12: S/2

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

TOWNSHIP 21 SOUTH, RANGE 31 EAST, NMPM
Section 36: All

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 1: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 4: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 1: N/2

(i) A new pool in Chaves County, New Mexico, classified as a gas pool for Abo production is hereby created and designated as the Pine Lodge-Abo Gas Pool, consisting of the following described area:

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM
Section 19: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 32: N/2

Case No. 10343
Order No. R-9545

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

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 15: SW/4

(l) The Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 8: N/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 33: S/2

(m) The East Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 10: N/2
Section 11: N/2

(n) The Cabin Lake-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM
Section 34: SE/4
Section 35: S/2
Section 36: SW/4

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 1: W/2

(o) The North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 11: NE/4

(p) The South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore

classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 9: E/2
Section 10: S/2
Section 13: All

(q) The South Empire-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 20: E/2

(r) The Frontier Hills-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 21: E/2

(s) The North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 1: S/2
Section 12: N/2

(t) The East Indian Draw-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 9: E/2

(u) The Laguna Grande-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 21: E/2
Section 22: W/2

Case No. 10343
Order No. R-9545

(v) The Livingston Ridge-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 11: SE/4
Section 13: NW/4
Section 14: NE/4
Section 23: NE/4
Section 26: SE/4
Section 35: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 16: N/2

(x) The Los Medanos-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 16: NW/4

(y) The Loving-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 7: N/2

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 10: W/2
Section 15: SW/4

(aa) The South Loving-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 16: S/2

Case No. 10343
Order No. R-9545

(bb) The Mosley Canyon-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 11: E/2
Section 12: W/2

(cc) The Nash Draw-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 24: All

(dd) The Richard Knob Atoka-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 9: S/2
Section 16: W/2

(ee) The Salt Draw-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
Section 11: N/2

(ff) The Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 27: S/2
Section 34: W/2

(gg) The West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 7: S/2
Section 18: N/2

-10-

Case No. 10343
Order No. R-9545

(hh) The Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 34: SE/4

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM
Section 3: SE/4

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 11: SE/4

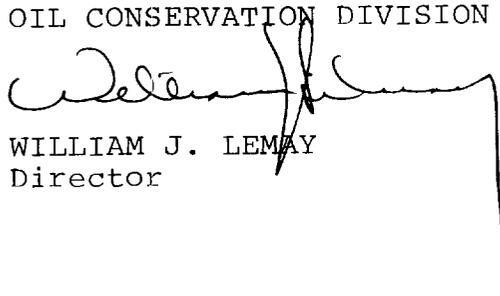
IT IS FURTHER ORDERED THAT:

(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 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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