

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. 10491
Order No. R-9685

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

ORDER OF THE DIVISION

BY THE DIVISION;

This cause came on for hearing at 8:15 a.m. on June 11, 1992, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 30th day of June, 1992, 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 San Andres formation, said pool to bear the designation of ARAB-C-San Andres Pool. Said ARAB-C-San Andres Pool was discovered by the Yates Petroleum Corporation Eidson Ranch Unit Well No. 1 located in Unit Q of Section 5, Township 16 South, Range 33 East, NMPM. It was completed in the San Andres formation on April 25, 1992. The top of the perforations is at 5,725 feet.

(3) 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 South Baum-Wolfcamp Pool. Said South Baum-Wolfcamp Pool was discovered by the Coastal States Oil and Gas Corporation State 32 Well No. 1 located in Unit L of Section 32, Township 13 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on March 7, 1992. The top of the perforations is at 9,066 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 Bootleg Ridge-Delaware Pool. Said Bootleg Ridge-Delaware Pool was discovered by the T. H. McElvain Oil and Gas Properties Bootleg Ridge 19 State

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Well No. 1 located in Unit D of Section 19, Township 22 South, Range 33 East, NMPM. It was completed in the Delaware formation on February 11, 1992. The top of the perforations is at 4,889 feet.

(5) 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 Dios Mano-Bone Spring Pool. Said Dios Mano-Bone Spring Pool was discovered by the Harvey E. Yates Company EKay 28 State Well No. 2 located in Unit P of Section 28, Township 18 South, Range 34 East, NMPM. It was completed in the Bone Spring formation on April 29, 1992. The top of the perforations is at 9,190 feet.

(6) 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 Pearl-Bone Spring Pool. Said South Pearl-Bone Spring Pool was discovered by the Mitchell Energy Corporation Merit-Record 35 Well No. 1 located in Unit P of Section 35, Township 19 South, Range 35 East, NMPM. It was completed in the Bone Spring formation on January 11, 1992. The top of the perforations is at 10,632 feet.

(7) 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 South Pearl-Wolfcamp Pool. Said South Pearl-Wolfcamp Pool was discovered by the Mitchell Energy Corporation Merit-Record 35 Well No. 1 located in Unit P of Section 35, Township 19 South, Range 35 East, NMPM. It was completed in the Wolfcamp formation on March 14, 1992. The top of the perforations is at 11,226 feet.

(8) 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 Salt Lake-Delaware Pool. Said Salt Lake-Delaware Pool was discovered by the Yates Petroleum Corporation Belco AIA Federal Well No. 1 located in Unit J of Section 14, Township 20 South, Range 32 East, NMPM. It was completed in the Delaware formation on October 4, 1991. The top of the perforations is at 4,928 feet.

(9) There is need for the contraction of the Cato-San Andres Pool in Chaves County, New Mexico, in order to correct nomenclature since there are no producing wells in the contracted area. The Many Gates-San Andres Pool should be extended to include the deleted acreage.

(10) There is need for certain extensions to the Many Gates-San Andres Pool in Chaves County, New Mexico, the West Corbin-Delaware Pool, the South Corbin-Wolfcamp Pool, the Cuerno Largo-Pennsylvanian Pool, the Diamondtail-Delaware Pool, the East Gem-Delaware Pool, the Geronimo-Delaware Pool, the Hat Mesa-Morrow Gas Pool, the Southwest House Yates-Seven Rivers Gas Pool, the Southeast Knowles-Wolfcamp Pool, the Lea-Wolfcamp Gas Pool, the East Livingston Ridge-Delaware Pool, the Lost Tank-Delaware Pool,

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the East Lusk-Delaware Pool, the Paddock Pool, the North Querecho Plains-Delaware Pool, the Sanmal-Wolfcamp Pool, and the Weir-Blinebry Pool, all in Lea County, New Mexico, and the Allison-San Andres Pool in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 5: SE/4

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

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 32: SW/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 Bootleg Ridge-Delaware Pool, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 19: NW/4

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

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 28: SE/4

(e) 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 Pearl-Bone Spring Pool, consisting of the following described area:

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

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

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

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

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4

(h) The Cato-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 7: SW/4

(i) The Many Gates-San Andres Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 7: SW/4

(j) The Allison-San Andres Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM
Section 36: NE/4

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 31: NW/4

(k) The West Corbin-Delaware 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 14: SW/4
Section 15: SE/4

(l) 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 30: NW/4

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

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 25: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 14: NW/4

(o) The East Gem-Delaware 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 14: SW/4

(p) The Geronimo-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 25: SE/4
Section 36: NE/4

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 31: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPM
Section 17: N/2
Section 18: N/2

(r) The Southwest House Yates-Seven Rivers Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 14: NW/4

(s) The Southeast Knowles-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 38 EAST, NMPM
Section 24: NE/4

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

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 11: S/2

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 15: SW/4
Section 16: S/2
Section 17: SE/4

(v) The Lost Tank-Delaware Pool in Eddy and Lea Counties, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 31: NW/4

(w) 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: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 19: NE/4
Section 20: NW/4

(y) The North Querecho Plains-Delaware 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 24: SE/4

(z) The Sanmal-Wolfcamp 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 28: SW/4

(aa) The Weir-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 14: N/2

IT IS FURTHER ORDERED THAT:

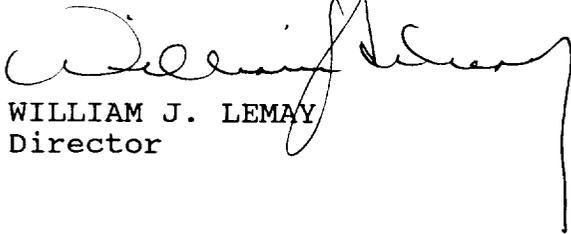
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(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently 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, contractions, and extensions included herein shall be July 1, 1992.

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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