



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

July 25, 1984

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Mr. Clyde Mote
Amoco Production Company
P. O. Box 3092
Houston, Texas 79253

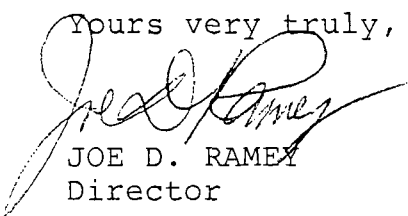
Re: CASE NO. 7897
ORDER NO. R-6255-A-1

Applicant:

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Yours very truly,


JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD _____

Other _____

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7897
Order No. R-6255-A

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR RESCISSION OF ORDER
NO. R-6255, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 8, 1983, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 9th day of July, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Amoco Production Company, seeks the rescission of Division Order No. R-6255 thereby consolidating the Air Strip-Upper Bone Spring and the Air Strip-Lower Bone Spring Pools into a single regulatory horizon.

(3) That Division Order No. R-6005, dated May 15, 1979, created the Air Strip-Bone Spring Pool in Lea County, New Mexico, for the production of oil from the entire Bone Spring formation.

(4) That Division Order No. R-6255, dated January 16, 1980, redesignated the Air Strip-Bone Spring Pool to the Air Strip-Upper Bone Spring Pool and contracted the vertical limits to include only that interval in the Bone Spring formation from 9180 feet to 9460 feet on the log of the Amoco State FU Well No. 2 located in the SE/4 SW/4 of Section 25, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

(5) That said Division Order No. R-6255, dated January 16, 1980, also created the Air Strip-Lower Bone Spring Pool for production of oil from the Lower Bone Spring interval, with its vertical limits being that interval in the Bone Spring formation from 10,100 feet to 10,400 feet on the log of the aforementioned Amoco State FU Well No. 2.

(6) That the horizontal limits of said Air Strip-Upper Bone Spring Pool were established by said Division Order No. R-6255, as amended by Division Orders Nos. R-6368, R-6449, R-6476, and R-7502, dated June 9, 1980, August 26, 1980, September 29, 1980, and April 20, 1984, respectively, and presently comprise the following described area in Lea County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 25: S/2 and NE/4

Section 26: SE/4

Section 35: NE/4

Section 36: N/2

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 31: NW/4

(7) That the horizontal limits of said Air Strip-Lower Bone Spring Pool were also established by said Division Order No. R-6255, as amended by Division Orders Nos. R-6328, R-6476, and R-6536, dated April 30, 1980, September 29, 1980, and December 11, 1980, respectively, and presently comprise the following described area in Lea County, New Mexico:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 23: S/2

Section 25: W/2

Section 26: NE/4

(8) That there are approximately 47 Bone Spring pools containing approximately 175 wells in Southeastern New Mexico.

(9) That of these 47 pools only the hereinabove said pools were established based on vertical limit segregation.

(10) That at the time said Order No. R-6255 was entered, the Air Strip-Lower Bone Spring Pool was thought to be extensive throughout Amoco Production Company's field area.

(11) That drilling and production subsequent to the entry of said Order No. R-6255 has proven the pay contained within the interval defined for the Air Strip-Lower Bone

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Spring Pool is erratic in development and limited in areal extent.

(12) That the major Bone Spring pay development in this field occurs within the interval defined for the Air Strip-Upper Bone Spring Pool.

(13) That the interval now designated for the Air Strip-Lower Bone Spring Pool is only a salvage zone and cannot economically support drilling based solely on the development thereof.

(14) That the existence of the two pools is not necessary for effective regulation of production from the Bone Spring in this area.

(15) That the existence of the two pools does not provide the optimum environment for further development of the field.

(16) That the rescission of Division Order No. R-6255 is in the interest of conservation, will prevent waste and protect correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That Division Order No. R-6255 be and the same is hereby rescinded thereby consolidating the Air Strip-Upper Bone Spring and Air Strip-Lower Bone Spring Pools.

(2) That the vertical limit segregation established in said order is retracted.

(3) That the consolidated pool will regulate production arising from the entire vertical extent of the Bone Spring formation in this area, and said pool will be designated the Air Strip-Bone Spring Pool.

(4) That all wells currently completed in the pools hereinabove described in Paragraph (1) of this order will hereafter be assigned to the newly designated pool as set forth in Paragraph (3) of this order.

(5) That the horizontal limits of the newly designated Air Strip-Bone Spring Pool are established as comprising the following described lands in Lea County, New Mexico:

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TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 23: S/2

Section 25: All

Section 26: E/2

Section 35: NE/4

Section 36: NE/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 31: NW/4

(6) That this order shall become effective July 1, 1984.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

JOE D. RAMEY
Director

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