

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. 11800
Order No. R-10822

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 12, 1997, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 16th day of June, 1997, 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 Eddy County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of East Loco Hills-Atoka Gas Pool. Said East Loco Hills-Atoka Gas Pool was discovered by the Texaco Exploration and Production, Inc. Dow "B" 33 Federal Well No. 2 located in Unit C of Section 33, Township 17 South, Range 31 East, NMPM. It was completed in the Atoka formation on March 15, 1997. The top of the perforations is at 11,242 feet.
- (3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Paddock formation, said pool to bear the designation of Loco Hills-Paddock Pool. Said Loco Hills-Paddock Pool was discovered by the Mack Energy Corporation Jenkins "B" Federal Well No. 4 located in Unit F of Section 20,

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Township 17 South, Range 30 East, NMPM. It was completed in the Paddock formation on February 5, 1997. The top of the perforations is at 4,286 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Upper Pennsylvanian formation, said pool to bear the designation of Loving-Upper Pennsylvanian Gas Pool. Said Loving-Upper Pennsylvanian Gas Pool was discovered by the OXY U.S.A., Inc. Brantley "A" Com. Well No. 1 located in Unit J of Section 7, Township 23 South, Range 28 East, NM;M. It was completed in the Upper Pennsylvanian formation on January 30, 1997. The top of the perforations is at 10,506 feet/.

(5) There is need for certain extensions to the Atoka-Glorieta-Yeso Pool, the South Burton-Yates Gas Pool, the South Carlsbad-Morrow Gas Pool, the Cedar Canyon-Delaware Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the East Eagle Creek-Atoka-Morrow Gas Pool, the Frontier Hills-Strawn Gas Pool, the Happy Valley-Morrow Gas Pool, the East Herradura Bend-Delaware Pool, the East Hess-Morrow Gas Pool, the Ingle Wells-Delaware Pool, the La Huerta-Delaware Pool, the Loco Hills-Queen-Grayburg-San Andres Pool, the Logan Draw-Morrow Gas Pool, the East Pierce Crossing-Bone Spring Pool, the Poker Lake-Delaware Pool, the Red Lake-Queen-Grayburg-San Andres Pool, the Sand Tank-Morrow Gas Pool, and the Scanlon-Delaware Pool, all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 33: W/2

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

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 20: NW/4

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

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TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 7: S/2

(d) The Atoka-Glorieta-Yeso Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 36: SE/4

(e) The South Burton-Yates 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 22: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 11: W/2

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 22: SW/4

(h) 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 19 SOUTH, RANGE 25 EAST, NMPM
Section 11: SW/4
Section 23: SE/4

(i) The East Eagle Creek-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 26 EAST, NMPM
Section 8: N/2

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(j) 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 28: N/2

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 32: E/2

(l) The East Herradura Bend-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 12: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 23 EAST, NMPM
Section 35: SE/4
Section 36: S/2

(n) The Ingle Wells-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 25: SE/4
Section 35: SE/4

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 9: NE/4

(p) 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:

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TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 23: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 32: N/2

(r) The East Pierce Crossing-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 14: SE/4
Section 15: SE/4

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 17: SE/4

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 33: SE/4 and E/2 SW/4
Section 34: NW/4

(u) The Sand Tank-Morrow Gas 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 6: W/2

(v) The Scanlon-Delaware 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 25: NE/4

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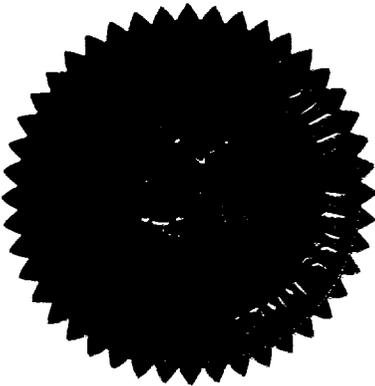
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IT IS FURTHER ORDERED THAT:

(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, 1997.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

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