

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. 13028
Order No. R-11921

THE APPLICATION OF THE OIL CONSERVATION
DIVISION FOR AN ORDER CREATING AND
EXTENDING CERTAIN POOLS IN CHAVES AND
EDDY COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 13, 2003, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of March, 2003, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Morrow formation, bearing the designation of Southwest Black River-Morrow Gas Pool. The Southwest Black River-Morrow Gas Pool (**Pool Code 97255**) was discovered by the Rubicon Oil & Gas, LLC Jake State Well No. 3 (**API No. 30-015-32340**) located in Unit K of Section 36, Township 24 South, Range 26 East, NMPM, which was completed in the Morrow formation on December 14, 2002. The top of the perforations is at 11,420 feet.

(3) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, bearing the designation of Southwest Diamond Mound-Strawn Gas Pool. The Southwest Diamond Mound-Strawn Gas Pool (**Pool Code 97254**) was discovered by the Devon Energy

Production Company Carbon Valley "14" Federal Well No. 2 (**API No. 30-015-30973**) located in Unit F of Section 14, Township 16 South, Range 27 East, NMPM, which was completed in the Strawn formation on January 9, 2003. The top of the perforations is at 8,192 feet.

(4) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Bone Spring formation, bearing the designation of Paduca-Bone Spring Gas Pool. The Paduca-Bone Spring Gas Pool (**Pool Code 97252**) was discovered by the Chevron U.S.A., Inc. Cotton Draw Unit Well No. 90 (**API No. 30-015-31889**) located in Unit D of Section 36, Township 24 South, Range 31 East, NMPM, which was completed in the Bone Spring formation on October 6, 2002. The top of the perforations is at 8,817 feet.

(5) There is need for extensions to the North Cedar Lake-Morrow Gas Pool, the Crow Flats-Morrow Gas Pool, the Fren-Cisco-Canyon Pool, the North Hackberry-Morrow Gas Pool, the Kennedy Farms-Morrow Gas Pool, the North McMillan-Morrow Gas Pool, and the Turkey Track-Atoka Gas Pool, all in Eddy County, New Mexico; and the Northwest Foor Ranch-Wolfcamp Gas Pool and the Pecos Slope-Abo Gas Pool, both in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Eddy County, New Mexico classified as a gas pool for Morrow production is hereby created and designated as the Southwest Black River-Morrow Gas Pool (**Pool Code 97255**), consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 36: W/2

(b) A new pool in Eddy County, New Mexico classified as a gas pool for Strawn production is hereby created and designated as the Southwest Diamond Mound-Strawn Gas Pool (**Pool Code 97254**), consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 14: W/2

(c) A new pool in Eddy County, New Mexico classified as a gas pool for Bone Spring production is hereby created and designated as the Paduca-Bone Spring Gas Pool (**Pool Code 97252**), consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 36: NW/4

(d) The North Cedar Lake-Morrow Gas Pool (**Pool Code 74600**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 29: N/2

(e) The Crow Flats-Morrow Gas Pool (**Pool Code 75720**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 34: E/2

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 3: NE/4

(f) The Fren-Cisco-Canyon Pool (**Pool Code 97126**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 10: W/2

(g) The Northwest Foor Ranch-Wolfcamp Gas Pool (**Pool Code 97066**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 9: E/2

(h) The North Hackberry-Morrow Gas Pool (**Pool Code 96785**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM

Section 12: E/2

(i) The Kennedy Farms-Morrow Gas Pool (**Pool Code 79520**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM

Section 28: W/2

(j) The North McMillan-Morrow Gas Pool (**Pool Code 81240**) in Eddy County, New Mexico is hereby extended to include:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM

Section 33: N/2

(k) The Pecos Slope-Abo Gas Pool (**Pool Code 82730**) in Chaves County, New Mexico is hereby extended to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 3: NW/4

(1) The Turkey Track-Atoka Gas Pool (**Pool Code 86445**) in Eddy County, New Mexico is hereby extended to include:

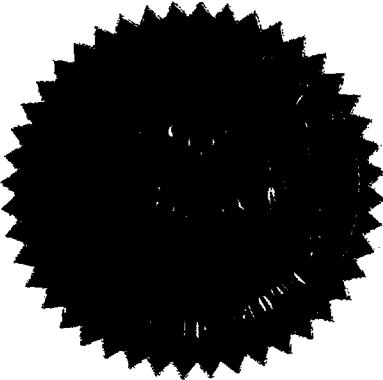
TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 3: SW/4
Section 4: S/2

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, NMSA, 1978, an operator of any well that, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one presently dedicated thereto, shall have 60 days from the effective date of this order to file Form C-102 dedicating a standard unit for the pool to that 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 that 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 April 1, 2003.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director