

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 10343  
ORDER NO. K-9545

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at \_\_\_\_\_ a.m. \_\_\_\_\_ 1991,  
at Santa Fe, New Mexico, before Examiner \_\_\_\_\_.

Now, on this \_\_\_\_\_ day of June, 1991, the Division Director,  
having considered the testimony, the record, 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 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 Yates Pet. Corp., Salt Creek  
Unit #2, located in Unit G of Section 1, Township 8  
South, Range 21 East NMPM. It was completed March 29,  
1991 in the Abo formation. The top of perforations is  
at 3,357 ft.
- (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 Yates Pet. Corp., Lake Shore  
XH Fed Com. #1 located in Unit F of Section 11,  
Township 21 South, Range 26 East, NMPM. It was  
completed February 9, 1991 in the Atoka formation. The  
top of perforations is at 10,484 ft.

- (4) There is need for 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 Mewbourne Oil Co., Loco Hills State #1, located in Unit M of Section 2, Township 18 South, Range 30 East, NMPM. It was completed February 18, 1991 in the Strawn formation. The top of perforations is at 10,614 ft.
- (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 Texaco Production Inc., Malaga Harroun 31 #1, located in Unit G of Section 31, Township 23 South, Range 29 East, NMPM. It was completed February 4, 1991 in the Delaware formation. The top of perforations is at 6,360 ft.
- (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 Penn. Gas Pool. Said Indian Loafer Draw-Upper Penn Gas Pool was discovered by Oxy USA, Inc., Little Box Canyon #2 located in Unit 0 of Section 12, Township 21 South, Range 21 East, NMPM. It was completed on January 9, 1991 in the Cisco formation. The top of perforations is at 5,858 ft.
- (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 Yates Pet. Corp., Lost Tank AIS St. #3 located in Unit N of Section 36, Township 21 South, Range 31 East, NMPM. It was completed on March 20, 1991, in the Delaware formation. The top of perforations is at 6,783 ft.
- (8) There is need for 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 was discovered by Strata Production Co., Aguila Fed #1, located in Unit L of Section 4, Township 20 South, Range 28 East, NMPM. It was completed February 21, 1991 in the Bone Spring formation. The top of perforations is at 6,140 ft.

- (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 Petroleum Corp. of Delaware Superior Fed #9, located in Unit G of Section 1, Township 20 South, Range 29 East, NMPM. It was completed April 15, 1991 in the Atoka formation. The top perforations is at 10,961 ft.
- (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 Yates Pet Corp., Blackwater Unit #1 located in Unit D of Section 19, Township 9 South, Range 22 East, NMPM. It was completed March 24, 1991 in the Abo formation. The top of perforations is a 3,331 ft.
- (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 Nearburg Production Co., Amthyst State Com. #1 located in Unit E of Section 32, Township 24, South, Range 29 East, NMPM. It was completed February 21, 1991 in the Morrow formation. The top of perforations is at 13,022 ft.
- (12) There is need for cretain extensions to the East Burton-Delaware Pool, Burton Flat- Morrow Gas Pool, East Burton Flat-Morrow Gas Pool, Cabin Lake-Delaware Pool, North Dagger Draw-Upper Penn Pool, South Dagger Draw-Upper Penn. Assoc. Pool, South Empire-Morrow Gas Pool, Frontier Hills-Strawn Gas Pool, North Illinois Camp-Morrow Gas Pool, East Indian Draw-Delaware Pool, Laguna Grande-Morrow Gas Pool, Livingston Ridge-Delaware Pool, Loco Hills-Queen/Grayburg/San Andres Pool, Los Medanos-Delaware Pool, Loving-Delaware Pool, East Loving Delaware Pool, South Loving-Delaware Pool, Mosley Canyon-Strawn Gas Pool, Nash Draw-Atoka Gas Pool, Richard Knob-Atoka/Morrow Gas Pool, Salt Draw-Atoka Gas Pool, Sand Dunes-Atoka Gas Pool, West Sand Dunes-Atoka Gas Pool and the Shugart-Yates/Seven Rivers/ Queen Grayburg Pool all in Eddy County, New Mexcio.

IT IS THEREFORE ORDERED:

- (a) Create a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the Border Hill- Abo Gas Pool. The discovery well is the Yates Pet. Corp., Salt Creek Unit #2 located in Unit G of Section 1, Township 8 South, Range 21 East, NMPM. Said pool would comprise:

Township 8 South, Range 21 East, NMPM.  
Section 1: NE/4

- (b) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Calabaza Draw-Atoka Gas Pool. The discovery well is Yates Pet. Corp., Lake Shore XH Fed. Com. #1 located in Unit F of Section 11, Township 21 South, Range 26 East, NMPM. Said pool would comprise:

Township 21 South, Range 26 East, NMPM.  
Section 11: N/2

- (c) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Strawn production and designated as the Cedar Lake-Strawn Pool. The discovery well is Mewbourne Oil Co., Loco Hills State #1 located in Unit M of Section 2, Township 18 South, Range 30 East, NMPM. Said pool would comprise:

Township 18 South, Range 30 East, NMPM.  
Section 2: SW/4

- (d) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Harroun Ranch-Delaware Pool. The discovery well is the Texaco Production Inc., Malaga Harroun 31 #1 located in Unit G of Section 31, Township 23 South, Range 29 East, NMPM. Said pool would comprise:

Township 23 South, Range 29 East, NMPM.  
Section 31: NE/4

- (e) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco production and designated as the Indian Loafer Draw- Upper Penn Gas Pool. The discovery well is the Oxy USA, Inc., Little Box Canyon #2 located in Unit O of Section 12, Township 21 South, Range 21 East, NMPM. Said pool would comprise:

Township 21 South, Range 21 East, NMPM.  
Section 12: S/2

- (f) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Lost Tank-Delaware Pool. The discovery well is Yates Pet. Corp., Lost Tank AIS St. #3 located in Unit N of Section 36, Township 21 South, Range 31 East, NMPM. Said pool would comprise:

Township 21 South, Range 31 East, NMPM  
Section 36: ALL

Township 22 South, Range 31 East, NMPM.  
Section 1: NE/4

- (g) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Old Millman Ranch-Bone Spring Pool. The discovery well is Strata Prod. Co., Aguila Fed. #1 located in Unit L of Section 4, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

Township 20 South, Range 28 East, NMPM.  
Section 4: SW/4

- (h) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Parkway-Atoka Gas Pool. The discovery well is the Petroleum Corp. of Delaware, Superior Fed. #9 located in Unit G of Section 1, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

Township 20 South, Range 29 East, NMPM.  
Section 01: N/2

- (i) Create a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the Pine Lodge-Abo Gas Pool. The discovery well is the Yates Pet. Corp., Blackwater Unit #1 located in Unit D of Section 19, Township 9 South, Range 22 East, NMPM. Said pool would compromise:

Township 09 South, Range 22 East, NMPM.  
Section 19: NW/4

- (j) Create a new pool in Eddy County, New Mexico classified as a gas pool for Morrow production and designated as the Wood Draw-Morrow Gas Pool. The discovery well is the Nearburg Prod. Co., Amthyst St. Com #1 located in Unit E of Section 32, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

Township 24 South, Range 29 East, NMPM.  
Section 32: N/2

- (k) Extend the East Burton Delaware Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 29 East, NMPM.  
Section 15: SW/4

- (l) Extend the ~~North~~ Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 28 East, NMPM.  
Section 08: N/2

Township 21 South, Range 27 East, NMPM  
Section 33, S/2

- (m) Extend the East Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 29 East, NMPM.  
Section 10: N/2  
Section 11: N/2

- (n) Extend the Cabin Lake- Delaware Pool in Eddy County, New Mexico, to include therein:

Township 21 South, Range 30 East, NMPM.  
Section 35: S/2                      Section 36: SW/4  
Section 34: SE/4

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

- (o) Extend the North Dagger-Draw Upper Penn Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 24 East, NMPM.  
Section 11: NE/4

- (p) Extend the South Dagger Draw-Upper Penn. Assoc. Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 24 East, NMPM.  
Section 09: E/2                      Section 10: S/2  
Section 13: All

- (q) Extend the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 17 South, Range 29 East, NMPM.  
Section 20: E/2

- (r) Extend the Frontier Hills-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 26 East, NMPM.  
Section 21: E/2

- (s) Extend the North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 27 East, NMPM.  
Section 12: N/2  
Section 01: S/2

- (t) Extend the East Indian Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 22 South, Range 28 East, NMPM.  
Section 09: E/2

- (u) Extend the Laguna Grande-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 29 East, NMPM.  
Section 22: W/2  
Section 21: E/2

- (v) Extend the Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 22 South, Range 31 East, NMPM.  
Section 35: NE/4                      Section 26: SE/4  
Section 13: NW/4                      Section 11: SE/4  
Section 14: NE/4                      Section 23: NE/4

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- (w) Extend the Loco Hills-Q/G/SA Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 30 East, NMPM.  
Section 16: N/2

- (x) Extend the Los Medanos-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 31 East, NMPM.  
Section 16: NW/4

- (y) Extend the Loving-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 24 South, Range 28 East, NMPM.  
Section 7: N/2

- (z) Extend the East Loving-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 28 East, NMPM.  
Section 10: ~~SW~~ W/2  
Section 15: SW.4

- (aa) Extend the South Loving-Delaware Pool in Eddy County, New Mexico, to include there:

Township 23 South, Range 28 East, NMPM.  
Section 16: S/2

- (bb) Extend the Mosley Canyon-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

Township 24 South, Range 24 East, NMPM.  
Section 11: E/2  
Section 12: W/2

- (cc) Extend the Nash Draw-Atoka Gas Pool in Eddy County New Mexico, to include therein:

Township 23 South, Range 29 East, NMPM.  
Section 24: ALL

- (dd) Extend the Richard Knob-Atoka/Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 25 East, NMPM.  
Section 16: W/2  
Section 9: S/2



- (ee) Extend the Salt Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

Township 25 South, Range 28 East, NMPM.  
Section 11: N/2

- (ff) Extend the Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

Township 23, South, Range 31 East, NMPM.  
Section 34: W/2  
Section 27: S/2

- (gg) Extend the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 31 East, NMPM.  
Section 7: S/2  
Section 18: N/2

- (hh) Extend the Shugart-Y/SR/Q/G Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 30 East, NMPM.  
Section 34: SE/4

Township 19 South, Range 31 East, NMPM.  
Section 11: SE/4

Township 19 South, Range 30 East, NMPM.  
Section 3: 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.

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(2) The effective date of this order and all creations and extensions included herein shall be \_\_\_\_\_.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director