

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. 10382  
Order No. R-9578

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on  
September 5, 1991, at Santa Fe, New Mexico, before  
Examiner Michael E. Stogner.

NOW, on this 10th day of September, 1991, 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  
Canyon formation, said pool to bear the designation of  
Frontier Hills-Upper Pennsylvanian Gas Pool. Said Frontier  
Hills-Upper Pennsylvanian Gas Pool was discovered by the  
Pacific Enterprises Oil Company PEOC 15 State Well No. 1  
located in Unit L of Section 15, Township 23 South, Range  
26 East, NMPM. It was completed in the Canyon formation  
on March 12, 1991. The top of the perforations is at  
10,178 feet.

(3) There is need for the creation of a new pool in  
Chaves County, New Mexico, for the production of gas from  
the Pennsylvanian formation, said pool to bear the design-  
nation of North Newmill-Pennsylvanian Gas Pool. Said

North Newmill-Pennsylvanian Gas Pool was discovered by the Robert J. Mannes State 35 Well No. 1 located in Unit J of Section 35, Township 3 South, Range 27 East, NMPM. It was completed in the Pennsylvanian formation on July 18, 1990. The top of the perforations is at 6,350 feet.

(4) There is need for certain extensions to the Buffalo Valley-Pennsylvanian Gas Pool and the South Palma Mesa-Pennsylvanian Gas Pool, both in Chaves County, New Mexico, and the East Burton Flat-Strawn Gas Pool, the Cabin Lake-Delaware Pool, the South Carlsbad-Morrow Gas Pool, the East Catclaw Draw-Delaware Pool, the South Culebra Bluff-Atoka Gas Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the South Dagger Draw-Upper Pennsylvanian Associated Pool, the Diamond Mound-Morrow Gas Pool, the Fadeaway Ridge-Delaware Pool, the Grayburg-Morrow Gas Pool, the Ingle Wells-Delaware Pool, the Kennedy Farms-Morrow Gas Pool, the East Loving-Delaware Pool, and the Walters Lake-Bone Spring 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 Canyon production is hereby created and designated as the Frontier Hills-Upper Pennsylvanian Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 15: W/2

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

TOWNSHIP 3 SOUTH, RANGE 27 EAST, NMPM  
Section 35: E/2

(c) The Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 14: N/2  
Section 15: E/2

(d) The East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM  
Section 6: W/2

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM  
Section 12: NW/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 23 SOUTH, RANGE 26 EAST, NMPM  
Section 15: All  
Section 20: E/2  
Section 21: W/2  
Section 22: N/2

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 9: SE/4

(h) The South Culebra Bluff-Atoka Gas 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 36: E/2

(i) 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 8: E/2  
Section 31: NE/4

(j) The South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 36: N/2

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

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 4: S/2

(l) The Fadeaway Ridge-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 6: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 11: 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 35: W/2

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

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM  
Section 14: N/2

(p) The East Loving-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and

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described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 21: SE/4  
Section 22: SW/4

(q) The South Palma Mesa-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM  
Section 29: All

(r) The Walters Lake-Bone Spring 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 2: SW/4  
Section 3: S/2

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.

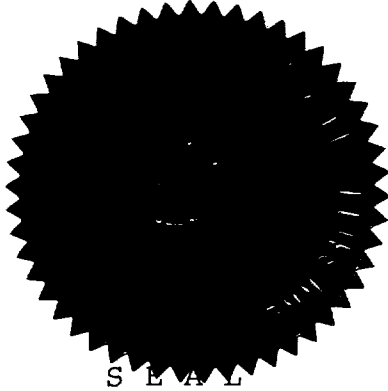
(2) The effective date of this order and all creations and extensions included herein shall be October 1, 1991.

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "William J. Lema".

WILLIAM J. LEMAY  
Director

fd/