ARTESIA, NEW MEXICO DISTRICT II '91 DE 9 NM 8 57

NOMENCLATURE ADVERTISEMENT FOR DECEMBER, 1991

CREATE Create a new pool in Eddy County, New Mexico, classified (a) as an oil pool for Bone Spring production and designated as the Cedar Canyon-Bone Spring Pool. The discovery well is Vision Energy, H.B. 3 Fed 1 located in Unit J of Section 3, Township 24 South, Range 29 East, NMPM. Said Pool would comprise: Township 24 South, Range 29 East NMPM Section 3: SE/4 In addition, a discovery allowable of 39,315 barrels of oil is hereby assigned to State Well. This discovery allewable is to be produced over a period of 2 years, and is over and above the daily allowable. CREATE (b) - Greate a new pool in Eddy County, New Mexico, classified as an oil pool for Upper Penn production and designated as the North Santo Nino-Upper Penn Pool." The discovery No. well is Myco Ind., Inc. East Turkey Track Fed. Com. #1 located in Unit K of Section 23, Township 18 South, Range 29 East, NMPM. Township 18 South, Range 29 East, NMPM * Section 23: SW/4 CREATE Create-a new pool in Eddy County, New Mexico, classified (C) as a gas pool for Atoka production and designated as the Tansill Dam-Atoka Gas Pool. The discovery well is Bird Creek Resources Inc., Jarvis Mead Com. #1 located in Unit N of Section 5, Township 22 South, Range 27 East NMPM. Township 22 South, Range 27 East, NMPM, Section 5: W/2 \mathcal{E}_{XTEND} Extend the Burton-Delaware Pool in Eddy County, New (d) Mexico, to include therein: Township 20 South, Range 29 East, NMPM, Section 17: SW/4 EXTEND Extend the Crozier Bluff-Atoka Gas Pool in Eddy County, (e) New Mexico, to include therein: Township 21 South, Range 26 East, NMPM , Section 14: E/2 Section 23: N/2 Section 26: N/2

Page 2 Nomenclature Advertisement December 1991

- (f) Extend the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein: <u>Township 23 South, Range 28 East, NMPM</u> Section 21: NE/4 Township 22 South, Range 28 East NMPM Section 35: W/2
- (g) Extend the Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include therein: <u>Township 22 South, Range 31 East, NMPM</u> Section 14: SE/4
- (h) Extend the Lost Tank-Delaware Pool in Eddy County, New Mexico, to include therein: <u>Township 21 South, Range 31 East, NMPM</u> Section 25: E/2
- (i) Extend the E. Millman Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein: Township 19 South, Range 29 East, NMPM, Section 17: SW/4
- (j) Extend the Parkway-Delaware Pool in Eddy County, New Mexico, to include therein: <u>Township 20 South, Range 30 East, NMPM</u> Section 6: NW/4 ext *
- (k) Extend the W. Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein: <u>Township 5 South, Range 21 East, NMPM</u> Section 27: SW/4 <u>Township 6 South, Range 22 East, NMPM</u> Section 17: NE/4
- (1) Extend the Salt Draw-Atoka Gas Pool In Eddy County, New Mexico, to include therein: <u>Township 24 South, Range 29 East, NMPM</u> Section 30: S/2
- (m) Extend the ShugartAYates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein: Township 19 South, Range 31 East, NMPM, Section 11: NE/4

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

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

> CASE NO. <u>16435</u> ORDER NO. <u>K-962</u>5

ORDER OF THE DIVISION

BY THE DIVISION:

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This cause came on for hearing at _____a.m.____1992, at Santa Fe, New Mexico, before Examiner _____.

NOW, on this _____day of January, 1992, 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 Eddy County, New Mexico, for the production of oil from the Bone Spring formation. Said pool to bear the designation of Cedar Canyon-Bone Spring Pool. Said Cedar Canyon-Bone Spring Pool was discovered by Vision Energy Inc., H.B. 3 Fed. #1, located in Unit J of Section 3, Township 24 South, Range 29 East, NMPM. It was completed on October 7, 1991 in the Bone Spring formation. The top of perforations is at 7,863 ft.

In addition, a discovery allowable of 39,315 barrels of oil is assigned to this well. The discovery allowable is to be produced over a period of 2 years and is over and above the daily allowable. Case No. ____ Order No.

- (3) Creation of North Santo Nino-Upper Pennsylvanian Pool Should be dismissed. (8) There is need for the creation of a new pool in Eddy
 - (%) 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 Tansill Dam-Atoka Gas Pool. Said Tansill Dam-Atoka Gas Pool was discovered by Bird Creek Resources, Jarvis Mead Com #1, located in Unit N of Section 5, Township 22 South, Range 27 East, NMPM. It was completed November 2, 1991 in the Atoka formation. The top of perforations is at 10,423 ft.
 - 5
 (Y) There is need for certain extensions to the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico and to the Burton-Delaware Pool, Crozier Bluff-Atoka Gas Pool, South Culebra Bluff-Bone Spring Pool, Livingston Ridge-Delaware Pool, Lost Tank-Delaware Pool, East Millman-Queen/Grayburg/ San Andres Pool, Parkway-Delaware Pool, Salt Draw-Atoka Gas Pool, and the Shugart-Yates/Seven Rivers/Queen/Grayburg Pool all in Eddy County, New Mexico.

IT IS THEREFORE ORDERED:

 (a) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Cedar Canyon-Bone Spring Pool. The discovery well is the Vision Energy, H.B. 3 Fed #1 located in Unit J of Section 3, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

> Tcwnship 24 South, Range 29 East, NMPM. Section 3: SE/4

In additon, a discovery allowable of 39,315 barrels of oil is hereby assigned to this well. This discovery allowable is to be produced over a period of 2 years and is over and above the daily allowable. Dismiss Creation of North Santo Dimensification fool. (b) Create a new pool in Eddy County, New Mexico, C classified as a gas pool for Atoka production and designated as the Tansill Dam-Atoka Gas Pool. The discovery well is the Bird Creek Resources, Inc.. Jarvis Mead Com. #1 located in Unit N of Section 5, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

> Township 22, South, Range 27 East, NMPM. Section 5: W/2

لل (ح) Extend the Burton-Delaware Pool in Eddy County, New Mexico. to include therein:

> Township 20 South, Range 29 East, NMPM. Section 17: SW/4

Page 3 Case No. _____ Order No. _____ AtoKa Gas \mathcal{C} (\mathcal{A}) Extend the Crozier Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein: Township 21 South, Range 26 East, NMPM. Section 14: E/2 Section 23: N/2 Section 26: N/2 £ Extend the South Culebra Bluff-Bone Spring Pool in Eddy (2) County, New Mexico, to include therein: Township 23 South, Range 28 East, NMPM. Section 21: NE/4 Township 22 South, Range 28 East, NMPM. Section 35: W/29 (£) Extend the Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include therein: Township 22 South, Range 31 East, NMPM. Section 14: SE/4 h (B) Extend the Lost Tank-Delaware Pool in Eddy County, New Mexico, to include therein: Township 21 South, Range 31 East, NMPM. Section 25: E/2 LA1 Extend the East Millman-Queen/Grayburg/San Andres Pool in Eddy County, New Mexico, to include therein: Township 19 South, Range 29 East, NMPM. Section 17: SW/4 (\mathcal{A}) Extend the Parkway-Delaware Pool in Eddy County, New Mexico, to include therein: Township 20 South, Range 30 East, NMPM. Section 6: NW/4 K (1) Extend the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein: Township 5 South, Range 21 East, NMPM. Section 27: SW/4 Township 6 South, Range 22 East, NMPM. Section 17: NE 4

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Case No. Order No.	
i (\k.)	Extend the Salt Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:
	Township 24 South, Range 29, East, NMPM. Section 30: S/2
\mathcal{A}^{m}	Extend the Shugart-Yates/Seven Rivers/Queen/Grayburg Pool in Eddy County, New Mexico, to include therein:
	<u>Township 19 South, Range 31 East, NMPM.</u> Section 11: NE/4

IT IS FURTHER ORDERED THAT:

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Pursuant to Section 70-2-18, NMSA 1978, contained (1)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 nonstandard 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_____.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAY Director