

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. 10665
Order No. R-9844

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 February 4, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 8th day of February, 1993, 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 Strawn formation, said pool to bear the designation of Cemetery-Strawn Gas Pool. Said Cemetery-Strawn Gas Pool was discovered by the Graham Royalty Ltd. Mayer Well No. 1 located in Unit C of Section 24, Township 20 South, Range 24 East, NMPM. It was completed in the Strawn formation on October 22, 1992. The top of the perforations is at 8,818 feet.

(3) 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 Dark Canyon-Upper Pennsylvanian Gas Pool. Said Dark Canyon-Upper Pennsylvanian Gas Pool was discovered by the Collins and Ware Inc. Muley Federal Well No. 1 located in Unit J of Section 26, Township 23 South, Range 25 East, NMPM. It was completed in the Upper Pennsylvanian formation on September 9, 1992. The top of the perforations is at 9,680 feet.

(4) 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 Dog Town Draw-Delaware Pool. Said Dog Town Draw-Delaware Pool was discovered by the Bass Enterprises Production Company Poker Lake Unit Well No. 41 located in Unit G of Section 21, Township 24 South, Range 30 East, NMPM. It was completed in the Delaware formation on December 9, 1992. The top of the perforations is at 7,583 feet.

(5) 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 Northeast Dos Hermanos-Morrow Gas Pool. Said Northeast Dos Hermanos-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Foundation "ALD" Federal Comm Well No. 1 located in Unit J of Section 11, Township 20 South, Range 30 East, NMPM. It was completed in the Morrow formation on December 14, 1992. The top of the perforations is at 12,115 feet.

(6) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Indian Basin-Strawn Gas Pool. Said Indian Basin-Strawn Gas Pool was discovered by the Barbara Fasken Skelly Federal Well No. 1 located in Unit M of Section 9, Township 21 South, Range 24 East, NMPM. It was completed in the Strawn formation on September 30, 1992. The top of the perforations is at 9,082 feet.

(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 South Sand Dunes-Delaware Pool. Said South Sand Dunes-Delaware Pool was discovered by the Yates Petroleum Corporation Adeline ALN Federal Well No. 1 located in Unit F of Section 6, Township 24 South, Range 31 East, NMPM. It was completed in the Delaware formation on October 25, 1992. The top of the perforations is at 7,526 feet.

(8) 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 Turkey Track-Atoka Gas Pool. Said East Turkey Track-Atoka Gas Pool was discovered by the Marbob Energy Corporation New Mexico DC State Well No. 1 located in Unit H of Section 18, Township 19 South, Range 29 East, NMPM. It was completed in the Atoka formation on December 11, 1992. The top of the perforations is at 10,684 feet.

(9) There is need for certain extensions to the Angell Ranch Atoka-Morrow Gas Pool, the Burton Flat-Strawn Gas Pool, the North Dagger Draw-Upper

Pennsylvanian Pool, the South Dagger Draw-Upper Pennsylvanian Associated Pool, the Northeast Fenton-Bone Spring Pool, the East Herradura Bend-Delaware Pool, the Ingle Wells-Bone Spring Pool, the Ingle Wells-Delaware Pool, the Los Medanos-Delaware Pool, the Russell-Delaware Pool, and the West Sand Dunes-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 Strawn production is hereby created and designated as the Cemetery-Strawn Gas Pool, consisting of the following described area:

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

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

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 26: S/2

(c) A new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is hereby created and designated as the Dog Town Draw-Delaware Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM
Section 21: NE/4

(d) A new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production is hereby created and designated as the Northeast Dos Hermanos-Morrow Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 11: S/2

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

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 9: S/2

(f) A new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production is

hereby created and designated as the South Sand Dunes-Delaware Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 6: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 18: E/2

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 26: N/2

(i) The Burton Flat-Strawn Gas 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 16: S/2
Section 17: S/2

(j) 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 22: NE/4
Section 29: SW/4

(k) 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: SW/4

(l) The Northeast Fenton-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 2: SW/4
Section 10: N/2
Section 11: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM

Section 35: SE/4

Section 36: NE/4

(n) The Ingle Wells-Bone Spring 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 32: E/2

Section 33: NW/4

(o) 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 26: N/2 SW/4 and SE/4 SW/4

(p) The Los Medanos-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 17: NE/4

(q) The Russell-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 24: N/2

(r) The West Sand Dunes-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 32: S/2

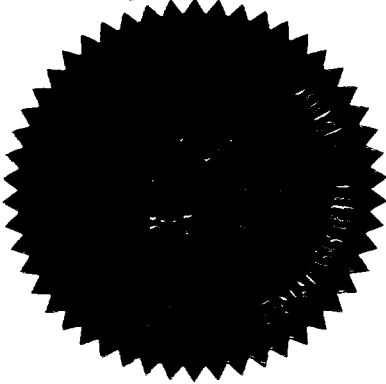
IT IS FURTHER ORDERED THAT:

(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.

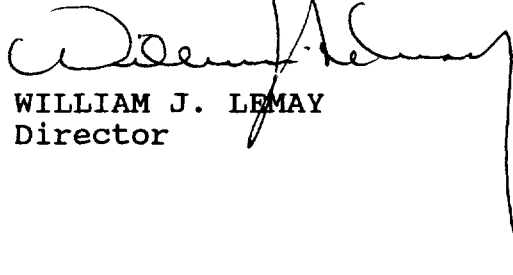
(2) The effective date of this order and all creations and extensions included herein shall be March 1, 1993.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

fd/