

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. 10975  
Order No. R-10124

THE APPLICATION OF THE OIL CONSERVATION  
DIVISION UPON ITS OWN MOTION FOR AN  
ORDER CREATING, ABOLISHING, 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 May 26, 1994, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 31st day of May, 1994, 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 oil from the Bone Spring formation, said pool to bear the designation of Artesia-Bone Spring Pool. Said Artesia-Bone Spring Pool was discovered by the National Energy Group, Inc. State 18 Com Well No. 1 located in Unit K of Section 18, Township 19 South, Range 28 East, NMPM. It was completed in the Bone Spring formation on August 17, 1993. The top of the perforations is at 7,858 feet.

(3) There is need for the 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 North Cedar Lake-Strawn Pool. Said North Cedar Lake-Strawn Pool was discovered by the Anadarko Petroleum Corporation Power Federal

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Com Well No. 2 located in Unit I of Section 26, Township 17 South, Range 30 East, NMPM. It was completed in the Strawn formation on November 23, 1993. The top of the perforations is at 10,610 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 Northeast Corral Canyon-Delaware Pool. Said Northeast Corral Canyon-Delaware Pool was discovered by the Fortson Oil Company Poker Lake Unit Well No. 79 located in Unit M of Section 2, Township 25 South, Range 30 East, NMPM. It was completed in the Delaware formation on October 1, 1993. The top of the perforations is at 7,720 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Yeso formation, said pool to bear the designation of Empire-Yeso Pool. Said Empire-Yeso Pool was discovered by the Marbob Energy Corporation New Mexico CY State Well No. 1 located in Unit J of Section 23, Township 17 South, Range 28 East, NMPM. It was completed in the Yeso formation on February 4, 1994. The top of the perforations is at 3,722 feet.

(6) 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 Northeast Hackberry-Delaware Pool. Said Northeast Hackberry-Delaware Pool was discovered by the BTA Oil Producers Lusk 9209 JV-P Well No. 1 located in Unit F of Section 12, Township 19 South, Range 31 East, NMPM. It was completed in the Delaware formation on February 13, 1994. The top of the perforations is at 6,702 feet.

(7) 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 West Logan Draw-Morrow Gas Pool. Said West Logan Draw-Morrow Gas Pool was discovered by the Yates Petroleum Corporation Fasken-Exxon AOF Federal Com Well No. 1 located in Unit J of Section 31, Township 17 South, Range 27 East, NMPM. It was completed in the Morrow formation on March 2, 1994. The top of the perforations is at 9,078 feet.

(8) 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 East Penlon-Bone Spring Pool. Said East Penlon-Bone Spring Pool was discovered by the Premier Oil and Gas, Inc. Eddy FV State

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Com Well No. 1 located in Unit H of Section 25, Township 20 South, Range 27 East, NMPM. It was completed in the Bone Spring formation on November 20, 1993. The top of the perforations is at 6,325 feet.

(9) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Upper Pennsylvanian formation, said pool to bear the designation of South Sand Dunes-Upper Pennsylvanian Pool. Said South Sand Dunes-Upper Pennsylvanian Pool was discovered by the Southland Royalty Company Empire 34 Federal Well No. 1 located in Unit G of Section 34, Township 18 South, Range 29 East, NMPM. It was completed in the Upper Pennsylvanian formation on November 30, 1993. The top of the perforations is at 9,900 feet.

(10) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of Siegreist Draw-Abo Pool. Said Siegreist Draw-Abo Pool was discovered by the Yates Petroleum Corporation Sunflower AHW Federal Well No. 2 located in Unit A of Section 31, Township 19 South, Range 24 East, NMPM. It was completed in the Abo formation on October 23, 1993. The top of the perforations is at 3,940 feet.

(11) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of Springer Basin-Strawn Gas Pool. Said Springer Basin-Strawn Gas Pool was discovered by the Yates Petroleum Corporation Long Arroyo OD State Com Well No. 1 located in Unit I of Section 14, Township 14 South, Range 27 East, NMPM. It was completed in the Strawn formation on November 1, 1993. The top of the perforations is at 7,587 feet.

(12) 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 Southeast Willow Lake-Bone Spring Pool. Said Southeast Willow Lake-Bone Spring Pool was discovered by the Maralo Inc. Pickett Draw Federal Well No. 1 located in Unit F of Section 9, Township 25 South, Range 29 East, NMPM. It was completed in the Bone Spring formation on January 15, 1994. The top of the perforations is at 8,573 feet.

(13) There is need for the abolishment of the Northwest Dagger Draw-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, in order to correct nomenclature. A portion of the abolished acreage will be placed in the Penasco Draw-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico.

(14) There is need for the extension of the North Brushy Draw-Delaware Pool, the Cabin Lake-Delaware Pool, the Calabaza Draw-Atoka Gas Pool, the East Carlsbad-Bone Spring Pool, the Cedar Canyon-Bone Spring Pool, the East Cedar Lake-Morrow Gas Pool, the Cemetery-Wolfcamp Gas Pool, the Chalk Bluff-Wolfcamp Pool, the North Dagger Draw-Upper Pennsylvanian Pool, the Duffield-Pennsylvanian Gas Pool, the Empire-Abo Pool, the South Golden Lane-Delaware Pool, the Hackberry-Delaware Pool, the North Hackberry Yates-Seven Rivers Pool, the Happy Valley-Delaware Pool, the Northeast Happy Valley-Strawn Gas Pool, the East Herradura Bend-Delaware Pool, the North Illinois Camp-Morrow Gas Pool, the Indian Basin-Upper Pennsylvanian Associated Pool, the Ingle Wells-Delaware Pool, the South Leo-Bone Spring Pool, the Los Medanos-Atoka Gas Pool, the Los Medanos-Bone Spring Pool, the Los Medanos-Delaware Pool, the Los Medanos-Morrow Gas Pool, the Old Millman Ranch-Bone Spring Associated Pool, the Owen Mesa-Morrow Gas Pool, the Penasco Draw-Permo Pennsylvanian Gas Pool, the Southwest Poker Lake-Delaware Pool, the Southeast Quahada Ridge-Delaware Pool, the South Sand Dunes-Delaware Pool, the West Sand Dunes-Delaware Pool, the Scanlon-Strawn Gas 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 an oil pool for Bone Spring production is hereby created and designated as the Artesia-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 18: S/2

(b) A new pool in Eddy County, New Mexico, classified as an oil pool for Strawn production is hereby created and designated as the North Cedar Lake-Strawn Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
Section 26: E/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 Northeast Corral Canyon-Delaware Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM  
Section 2: SW/4

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(d) A new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production is hereby created and designated as the Empire-Yeso Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 23: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 12: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 31: E/2

(g) A new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the East Penlon-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 25: NE/4

(h) A new pool in Eddy County, New Mexico, classified as an oil pool for Upper Pennsylvanian production is hereby created and designated as the South Sand Dunes-Upper Pennsylvanian Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 34: E/2

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

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 31: N/2

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

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM

Section 14: E/2

(k) A new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production is hereby created and designated as the Southeast Willow Lake-Bone Spring Pool, consisting of the following described area:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM

Section 9: NW/4

(l) The Northwest Dagger Draw-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 2: N/2

is hereby abolished.

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

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM

Section 26: S/2

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM

Section 1: NW/4

Section 2: NE/4

(n) 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 11: SE/4

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

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TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 2: S/2

Section 3: S/2

(p) The East Carlsbad-Bone Spring 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 13: SW/4

Section 23: E/2 and NW/4

Section 24: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 10: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 33: W/2

Section 34: S/2

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 4: E/2

(s) The Cemetery-Wolfcamp Gas 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 25: N/2

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 30: N/2

(t) The Chalk Bluff-Wolfcamp Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 10: N/2

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(u) 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 9: SW/4

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

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM  
Section 21: N/2

(w) The Empire-Abo Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 23: SE/4  
Section 26: N/2 NE/4

(x) The South Golden Lane-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM  
Section 16: W/2  
Section 17: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 15: W/2 and NE/4

(z) The North Hackberry Yates-Seven Rivers Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM  
Section 23: SW/4

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

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TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM  
Section 28: SW/4  
Section 33: NE/4

(bb) The Northeast Happy Valley-Strawn Gas 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 23: S/2

(cc) The East Herradura Bend-Delaware 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 1: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM  
Section 17: E/2

(ee) The Indian Basin-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM  
Section 11: N/2

(ff) 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 27: SW/4  
Section 34: SE/4

(gg) The South Leo-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 34: SW/4

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TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM  
Section 3: W/2

(hh) The Los Medanos-Atoka Gas 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 25: All

(ii) The Los Medanos-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 6: SE/4 and NW/4

(jj) 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 9: SE/4

(kk) The Los Medanos-Morrow Gas 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 24: S/2  
Section 25: All

(ll) The Old Millman Ranch-Bone Spring Associated Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM  
Section 34: S/2

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM\  
Section 3: SE/4  
Section 10: NW/4

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

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TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM  
Section 35: N/2

(nn) The Penasco Draw-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 2: NW/4

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

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 19: SW/4  
Section 30: NW/4

(pp) The Southeast Quahada Ridge-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 36: SW/4

(qq) The South Sand Dunes-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 5: SW/4

(rr) 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 31: SE/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 4: SW/4  
Section 9: NW/4

(ss) The Scanlon-Strawn Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is

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hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 33: E/2 and SW/4

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

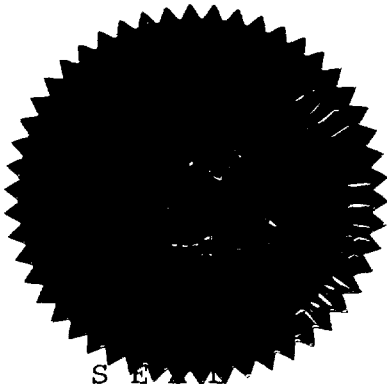
TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
Section 2: NW/4

IT IS FURTHER ORDERED THAT:

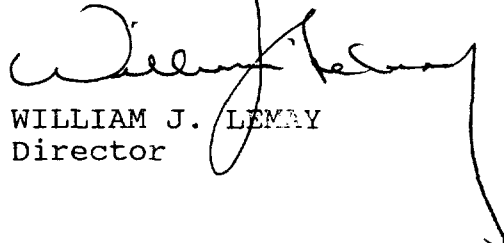
(1) Pursuant to Section 70-2-18, NMSA 1978, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective 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.

(2) The effective date of this order and all creations, abolishments, and extensions included herein shall be June 1, 1994.

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



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director