

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. 9587
Order No. R-8856

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 18, 1989, at Santa Fe, New Mexico, before Examiner Victor T. Lyon.

NOW, on this 25th day of January, 1989, 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 Lea County, New Mexico, for the production of oil from the Cherry Canyon formation, said pool to bear the designation of South Antelope Ridge-Cherry Canyon Pool. Said South Antelope Ridge-Cherry Canyon Pool was discovered by the J. C. Williamson Curry State Well No. 2 located in Unit C of Section 22, Township 23 South, Range 34 East, NMPM. It was completed in the Cherry Canyon formation on September 28, 1988. The top of the perforations is at 7,196 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Abo formation, said pool to bear the designation of Stateline-Abo Pool. Said Stateline-Abo Pool was discovered

by the Lanexco Inc. Crawford State Well No. 3 located in Unit D of Section 4, Township 24 South, Range 38 East, NMPM. It was completed in the Abo formation on November 17, 1988. The top of the perforations is at 8,124 feet.

(4) There is need for certain extensions to the Cruz-Delaware Pool, the Gladiola-Wolfcamp Pool, the Ojo Chiso-Morrow Gas Pool, the Querecho Plains-Upper Bone Spring Pool, the Shipp-Strawn Pool, the South Shoe Bar-Upper Pennsylvanian Pool, and the North Vacuum Atoka-Morrow Gas Pool, all in Lea County, New Mexico.

IT IS THEREFORE ORDERED THAT:

(a) A new pool in Lea County, New Mexico, classified as an oil pool for Cherry Canyon production is hereby created and designated as the South Antelope Ridge-Cherry Canyon Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 22: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
Section 4: Lots 1, 2, 3, 4, and
S/2 NW/4

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

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 30: NW/4

(d) The Gladiola-Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM
Section 34: NE/4

(e) The Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 23: SE/4

(f) The Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 14: SW/4

(g) The Shipp-Strawn Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4

(h) The South Shoe Bar-Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 31: SW/4

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 6: SW/4

(i) The North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 16: E/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

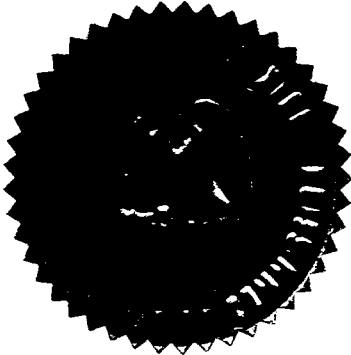
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Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Division. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the 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 February 1, 1989.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Victor Z. Lyon
for WILLIAM J. LEMAY
Director

fd/