

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8559

ORDER NO. R-7875

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

ORDER OF THE DIVISION

BY THE DIVISION:

THIS CAUSE CAME ON FOR HEARING AT \_\_\_\_\_ AM, APRIL \_\_\_\_\_, 1985 AT  
SANTA FE, NEW MEXICO, BEFORE EXAMINER \_\_\_\_\_.

NOW, ON THIS \_\_\_\_\_ DAY OF APRIL, 1985, THE DIVISION DIRECTOR  
HAVING CONSIDERED THE TESTIMONY, THE RECORD, THE RECOMMENDATIONS OF THE EXAMINER,  
AND BEING FULLY ADVISED IN THE PREMISES,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause, and subject matter thereof.
- (2) That 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 East Brushy Draw-Delaware pool. Said East Brushy Draw-Delaware pool was discovered by the J.C. Williamson - Ingram-Grooms Federal well No. 1, located in unit letter M of Section 9, Township 26 South, Range 30-28 East, NMPM. It was completed December 7, 1984 in the Delaware formation. The top of the perforations is at 5609 feet.

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- (3) That 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 West Carlsbad Delaware Pool. Said West Carlsbad Delaware Pool was discovered by the Amoco Prod. Co. - Lancaster Spring Unit well No. 2, located in Unit K of Section 9, Township 22 South, Range 26 East, NMPM. It was completed on August 28, 1984, in the Delaware formation. The top of perforations is at 4662 feet.
- (4) That there is need for the creation of a new pool, in Eddy County, New Mexico, for the production of oil from the San Andres formation. Said pool to bear the designation of Dog Canyon-San Andres Pool. Said Dog Canyon-San Andres Pool, was discovered by the Harvey E. Yates - Anderson 24 Federal well No. 1, located in Unit N, of Section 24, Township 16 South, Range 27 East, NMPM. It was completed on January 5, 1985, in the San Andres formation. The top of perforations is at 2214 feet.
- (5) That 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 North Empire-Atoka Gas Pool. Said North Empire-Atoka Gas Pool was discovered by the Amoco Prod. Co. - State MT well No. 1, located in Unit I, of Section 1, Township 17 South, Range 28 East, NMPM. It was completed on September 8, 1983, in the Atoka formation. The top of perforations is at 10,277 feet.
- (6) That 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 Happy Valley-Atoka Gas Pool. Said Happy Valley-Atoka Gas Pool was discovered by the T.X.O. Corporation - Federal E well No. 1, located in Unit F of Section 4, Township 22 South, Range 26 East, NMPM. It was completed on January 10, 1985, in the Atoka formation. The top of perforations is at 10,334 feet.
- (7) That 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 Loco Hills-Bone Spring Pool. Said Loco Hills-Bone Spring Pool was discovered by the Harvey E. Yates Co. - Loco Hills Welch well No. 1, located in Unit D of Section 9, Township 18 South, Range 29 East, NMPM. It was completed on September 30, 1978, in the Bone Spring formation. The top of perforations is at 7294 feet.
- (8) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Morrow formation. Said pool to bear the designation of McKittrick Hills-Morrow Gas Pool. Said McKittrick Hills-Morrow Gas Pool was discovered by the Florida Exploration Co. - Chama Federal Com well No. 1, located in Unit B of Section 11, Township 22 South, Range 24 East, NMPM. It was completed on December 27, 1984 in the Morrow formation. The top of perforations is at 10,282 feet.

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- (9) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Cisco & Canyon formations. Said pool to bear the designation of Penasco Draw-Upper Penn Pool. Said Penasco Draw-Upper Penn Pool was discovered by the Anadarko Production Co. - Matlock well No. 1, located in Unit J of Section 4, Township 19 South, Range 25 East, NMPM. It was completed December 22, 1984 in the Canyon formation. The top of the perforations is at 7776 feet.
- (10) That there is need for the abolishment of the East Millman-San Andres Pool in Eddy County, New Mexico, since the East Millman-Queen/Grayburg pool's vertical limits has been extended to include the San Andres and said Millman-San Andres pool's horizontal limits would overlap with the new East Millman-Queen/Grayburg/San Andres pool.
- (11) That there is need for the abolishment of the North Millman-San Andres Pool in Eddy County, New Mexico, since the East Millman-Queen/Grayburg pool's vertical limits has been extended to include the San Andres and said North Millman-San Andres pool's horizontal limits would overlap with the new East Millman-Queen/Grayburg/San Andres pool.
- (12) That there is need for certain extensions to the Atoka-Glorieta/Yeso Pool, the East Avalon-Bone Spring Gas Pool, the East Black River-Atoka Gas Pool, the North Black River-Atoka Gas Pool, the Brushy Draw-Delaware Pool, East Burton Flat-Morrow Gas Pool, the North Burton Flat-Strawn Gas Pool, the South Carlsbad-Morrow Gas Pool, the East Eagle Creek-Atoka/Morrow Gas Pool, the Northwest Fenton-Delaware Pool, the Hoag Tank-Morrow Gas Pool, the East Indian Draw-Delaware Pool, the Malaga-Morrow Gas Pool, the East Millman-Queen/Grayburg/San Andres Pool, the Nimenim Ridge-Morrow Gas Pool, and the Square Lake-Grayburg/San Andres 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 Delaware production and designated as the East Brushy Draw-Delaware Pool. The discovery well is J.C. Williamson - Ingram Grooms Federal #1 located in Unit M of Section 9, Township 26 South, Range 30 East NMPM. Said pool would comprise:

Township 26 South, Range 30 East NMPM  
Section 9: SW/4

- b) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the West Carlsbad-Delaware Pool. The discovery well is Amoco Prod. Co. - Lancaster Spring Unit #2 located in Unit K of Section 9, Township 22 South, Range 26 East NMPM. Said pool would comprise:

Township 22 South, Range 26 East NMPM  
Section 9: SW/4

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- (c) Create a new pool in Eddy County, New Mexico, classified as an oil pool for San Andres production and designated as the Dog Canyon-San Andres Pool. The discovery well is Harvey E. Yates - Anderson 24 Federal #1 located in Unit N of Section 24, Township 16 South, Range 27 East NMPM. Said pool would comprise:

Township 16 South, Range 27 East NMPM  
Section 24: SW/4

- (d) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the North Empire-Atoka Gas Pool. The discovery well is Amoco Prod. Co. - State MT #1 located in Unit I of Section 1, Township 17 South, Range 28 East NMPM.

Township 17 South, Range 28 East NMPM  
Section 1: E/2

- (e) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Happy Valley-Atoka Gas Pool. The discovery well is T.X.O. Corp. - Federal E #1 located in Unit F of Section 4, Township 22 South, Range 26 East NMPM. Said pool would comprise:

Township 22 South, Range 26 East NMPM  
Section 4: All

- (f) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Loco Hills-Bone Spring Pool. The discovery well is Harvey E. Yates - Loco Hills Welch #1 located in Unit D of Section 9, Township 18 South, Range 29 East NMPM. Said pool would comprise:

Township 18 South, Range 29 East NMPM  
Section 9: NW/4

- (g) Create a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the McKittrick Hills-Morrow Gas Pool. The discovery well is Florida Exploration Co. - Chama Federal Com #1 located in Unit B of Section 11, Township 22 South, Range 24 East NMPM. Said pool would comprise:

Township 22 South, Range 24 East NMPM  
Section 11: N/2

- (h) Create a new pool in Eddy County, New Mexico, classified as an oil pool for Canyon production and designated as the Penasco Draw-Upper Penn<sup>sylvania</sup> Pool. The discovery well is Anadarko Prod. Co. - Matlock #1 located in Unit J of Section 4, Township 19 South, Range 25 East NMPM. Said pool would comprise:

Township 19 South, Range 25 East NMPM  
Section 4: SE/4

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- (i) Abolish the East Millman-San Andres Pool in Eddy County, New Mexico, and the acreage included therein:

Township 19 South, Range 28 East NMPM  
Section 22: NE/4 & W/2 SE/4  
Section 27: NE/4 NW/4 & NW/4 NE/4

- (j) Abolish the North Millman-San Andres Pool in Eddy County, New Mexico, and the acreage included therein:

Township 19 South, Range 28 East NMPM  
Section 1: S/2 SE/4  
Section 12: N/2 NE/4

Township 19 South, Range 29 East NMPM  
Section 6: SW/4 SW/4

- (k) Extend the Atoka-Glorieta/Yeso Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 26 East NMPM  
Section 22: All

- (l) Extend the East Avalon-Bone Spring Gas Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 27 East NMPM  
Section 36: NE/4

Township 20 South, Range 28 East NMPM  
Section 30: SW/4  
Section 31: N/2

- (m) Extend the East Black River-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

Township 24 South, Range 27 East NMPM  
Section 23: W/2

- (n) Extend the North Black River-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

Township 23 South, Range 26 East NMPM  
Section 26: W/2  
Section 27: All  
Section 35: All

Township 24 South, Range 26 East NMPM  
Section 2: N/2

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(p) Extend the Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 26 South, Range 29 East NMPM  
Section 27: NW/4 NE/4 & W/2

(q) Extend the East Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 29 East NMPM  
Section 2: S/2  
Section 3: S/2  
Section 4: E/2

(r) Extend the North Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

Township 19 South, Range 28 East NMPM  
Section 31: All  
Section 32: S/2

(s) Extend the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 22 South, Range 27 East NMPM  
Section 27: S/2

(t) Extend the East Eagle Creek-Atoka Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 26 East NMPM  
Section 5: E/2

(u) Extend the Northwest Fenton-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 21 South, Range 27 East NMPM  
Section 2: S/2

(v) Extend the Hoag Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 19 South, Range 23 East NMPM  
Section 11: E/2  
Section 12: All

(w) Extend the East Indian Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 22 South, Range 28 East NMPM  
Section 10: NE/4

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- (x) Extend the Malaga-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 24 South, Range 28 East    NMPM  
Section 11: E/2  
Section 12: S/2

- (K) Extend the East Millman-Queen/Grayburg/San Andres Pool in Eddy County, New Mexico, to include therein:

Township 19 South, Range 28 East    NMPM  
Section 1: S/2 SE/4  
Section 22: W/2 SE/4  
Section 27: NE/4 NW/4 & NW/4 NE/4

- (y) Extend the Nimenim Ridge-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

Township 18 South, Range 30 East    NMPM  
Section 28: All

- (z) Extend the Penlon-Bone Spring Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 27 East    NMPM  
Section 22: SW/4  
Section 27: NW/4

- (aa) Extend the Scanlon-Delaware Pool in Eddy County, New Mexico, to include therein:

Township 20 South, Range 28 East    NMPM  
Section 26: SE/4  
Section 35: E/2

- (bb) Extend the Square Lake-Grayburg/San Andres Pool in Eddy County, New Mexico, to include therein:

Township 16 South, Range 31 East    NMPM  
Section 26: S/2 S/2