

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. 8908
Order No. R-8233

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN ORDER
CREATING, ASSIGNING A DISCOVERY ALLOWABLE,
CONTRACTING, 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 May 28, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 29th day of May, 1986, 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 Yates formation, said pool to bear the designation of Buffalo-Yates Pool. Further, the discovery well for said pool, the Amoco Production Company Nellis Federal Well No. 3 located in Unit F of Section 6, Township 19 South, Range 33 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 17,550 barrels to be assigned over a two-year period. Said discovery well was completed in the Yates formation on February 7, 1986. The top of the perforations is at 3,530 feet.

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

Pool was discovered by the Spectrum 7 Exploration Company Mobil State Well No. 1 located in Unit J of Section 2, Township 20 South, Range 34 East, NMPM. It was completed in the Delaware formation on March 28, 1986. The top of the perforations is at 5,626 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of Lea-Wolfcamp Gas Pool. Said Lea-Wolfcamp Gas Pool was discovered by the TXO Production Corporation Jordan B Well No. 2 located in Unit G of Section 11, Township 20 South, Range 35 East, NMPM. It was completed in the Wolfcamp formation on June 17, 1985. The top of the perforations is at 11,440 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Strawn formation, said pool to bear the designation of Vacuum-Strawn Pool, with special vertical limits defined as being from the top of the Strawn formation at 10,882 feet to the base of the Strawn formation at 11,092 feet as found on the type log for Vacuum area Pennsylvanian pools, Socony Mobil Oil Company State Bridges Well No. 96 located in Unit H of Section 26, Township 17 South, Range 34 East, NMPM. Said Vacuum-Strawn Pool was discovered by the Mobil Producing Texas and New Mexico Inc. Bridges State Well No. 506 located in Unit N of Section 13, Township 17 South, Range 34 East, NMPM. It was completed in the Strawn formation on March 20, 1986. The top of the perforations is at 11,000 feet.

(6) There is need for the contraction of the horizontal limits of the West Mescalero-Pennsylvanian Pool in Lea County, New Mexico, in order to correct an overlap with the Mescalero-Permo Pennsylvanian Pool.

(7) There is need for certain extensions to the Antelope Ridge-Devonian Gas Pool, the Cary-Montoya Pool, the Gem-Morrow Gas Pool, the Lea-Bone Spring Pool, the West Osudo-Morrow Gas Pool, the Querecho Plains-Upper Bone Spring Pool, the Reeves-Bone Spring Pool, and the Sand Dunes-Bone Spring 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 Yates production is hereby created and

designated as the Buffalo-Yates Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 6: NW/4

Further, the discovery well for said Buffalo-Yates Pool, being the Amoco Production Company Nellis Federal Well No. 3 located in Unit F of Section 6, Township 19 South, Range 33 East, NMPM, is hereby assigned a bonus discovery allowable in the amount of 17,550 barrels to be produced over a two-year period.

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 2: SE/4

(c) A new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production is hereby created and designated as the Lea-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 11: N/2

(d) A new pool in Lea County, New Mexico, classified as an oil pool for Strawn production is hereby created with special vertical limits defined as being from the top of the Strawn formation at 10,882 feet to the base of the Strawn formation at 11,092 feet as found on the type log for Vacuum area Pennsylvanian pools, the Socony Mobil Oil Company State Bridges Well No. 96 located in Unit H of Section 26, Township 17 South, Range 34 East, NMPM, and designated as the Vacuum-Strawn Pool, consisting of the following described area:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 13: SW/4

(e) The West Mescalero-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 33: NW/4

(f) The Antelope Ridge-Devonian Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 33: W/2 W/2

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 28: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 16: W/2

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

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 23: SE/4
Section 24: SW/4

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

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 34: N/2

(k) 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 24: SW/4
Section 25: NW/4
Section 26: E/2 NE/4 and S/2
Section 27: SE/4

(l) The Reeves-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described,

is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 13: NW/4
Section 14: E/2

(m) The Sand Dunes-Bone Spring Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

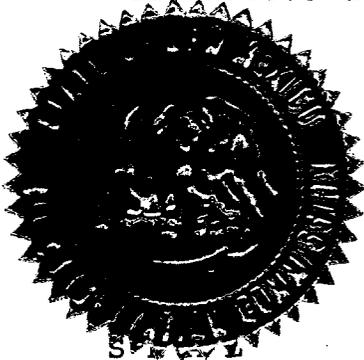
TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 6: SW/4
Section 7: W/2

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 the said 60-day period shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, assignments of discovery allowables, contractions, and extensions included herein shall be June 1, 1986.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

R. L. Stamets
R. L. STAMETS
Director