

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. 9133
Order No. R-8451

THE APPLICATION OF THE OIL CONSERVATION
DIVISION UPON ITS OWN MOTION FOR AN
ORDER CREATING, 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 6 and May 20, 1987, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of June, 1987, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and having been 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 Bone Spring formation, said pool to bear the designation of Gem-Bone Spring Pool. Said Gem-Bone Spring Pool was discovered by the Manzano Oil Corporation Federal 31-G Well No. 1 located in Unit H of Section 31, Township 19 South, Range 33 East, NMPM. It was completed in the Bone Spring formation on January 26, 1987. The top of the perforations is at 10,500 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Devonian formation, said pool to bear the designation of North Knowles-Devonian Pool. Said North Knowles-Devonian Pool was discovered by the Marathon Oil Company Benson Well No. 1 located in Unit P of Section 14, Township 16 South, Range 38 East, NMPM. It was completed in the Devonian formation on February 11, 1987. The top of the perforations is at 13,120 feet.

(4) There is need for the contraction of the Vacuum-Abo Reef Pool in Lea County, New Mexico, due to the completion of the BTA Oil Producers Buckeye C 8601 JV-P Well No. 1 located in Unit F of Section 36, Township 17 South, Range 35 East, NMPM, in the Abo formation. The deleted acreage will be included in the South Double A-Abo Pool.

(5) There is need for the dismissal of the proposed extension of the Lusk-Delaware Pool in Lea County, New Mexico, because the well completed in this area is deeper than the depth range for said pool, and a request for a new pool creation will be forthcoming at a later date.

(6) There is need for certain extensions to the South Double A-Abo Pool, the North Air Strip-Bone Spring Pool, the Alston Ranch-Upper Pennsylvanian Pool, the Casey-Strawn Pool, the Lower Double A-Abo Pool, the House Yates-Seven Rivers Gas Pool, the Lazy J-Pennsylvanian Pool, the North Sanmal-Pennsylvanian Pool, the Sanmal-Queen Pool, the Shipp-Strawn Pool, the West Teas Yates-Seven Rivers Pool, and the Vacuum Grayburg-San Andres Pool, all in Lea County, New Mexico.

(7) The effective date of this order and all creations, contractions, and expansions included herein should be June 1, 1987.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 31: NE/4

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

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 14: SE/4

(c) The Vacuum-Abo Reef Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 36: SE/4 NW/4

Case No. 9133
Order No. R-8451

(d) The South Double A-Abo 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 36: N/2 NW/4 and SE/4 NW/4

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

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 14: SE/4

(f) The Alston Ranch-Upper Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 25: NW/4 and E/2 SW/4

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

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 34: SW/4

(h) The Lower Double A-Abo Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 16: SE/4

(i) The House Yates-Seven Rivers Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 1: NE/4

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 6: NW/4

(j) The Lazy J-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 28: SW/4

Case No. 9133
Order No. R-8451

(k) The proposed extension to the Luskⁱ-Delaware Pool in Lea County, New Mexico, is hereby dismissed.

(l) The North Sanmal-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM

Section 7: SE/4

Section 8: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 1: NE/4 and SW/4

(n) 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 3: NE/4

(o) The West Teas Yates-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 9: N/2 SW/4

(p) The Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 35: NE/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

-5-

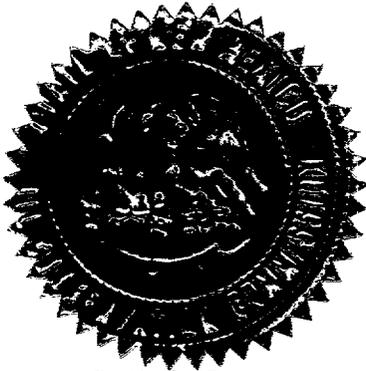
Case No. 9133

Order No. R-8451

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 shall subject the well to cancellation of allowable.

(2) The effective date of this order and all creations, contractions, and extensions included herein shall be June 1, 1987.

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "William J. Lemay", written over the typed name.

WILLIAM J. LEMAY
Director

fd/