

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. 9157
Order No. R-8461

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 17, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 25th day of June, 1987, 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 San Andres formation, said pool to bear the designation of Airstrip-San Andres Pool. Said Airstrip-San Andres Pool was discovered by the Amoco Production Company State HQ Well No. 6 located in Unit K of Section 26, Township 18 South, Range 34 East, NMPM. It was completed in the San Andres formation on November 23, 1986. The top of the perforations is at 5,728 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 Baum-Abo Pool. Said Baum-Abo Pool was discovered by the Coastal Oil & Gas Corporation Federal 20 Well No. 5 located in Unit K of Section 20, Township 13 South, Range 33 East, NMPM. It was

completed in the Abo formation on April 11, 1987. The top of the perforations is at 8,890 feet.

(4) 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 East Lusk-Delaware Pool. Said East Lusk-Delaware Pool was discovered by the Amoco Production Company Federal AW Well No. 1 located in Unit E of Section 26, Township 19 South, Range 32 East, NMPM. It was completed in the Delaware formation on January 26, 1987. The top of the perforations is at 4,848 feet.

(5) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Brushy Canyon formation, said pool to bear the designation of West Lusk-Delaware Pool. Said West Lusk-Delaware Pool was discovered by the Texaco Inc. New Mexico CR State Well No. 1 located in Unit D of Section 32, Township 19 South, Range 32 East, NMPM. It was completed in the Brushy Canyon formation on November 2, 1986. The top of the perforations is at 6,416 feet.

(6) There is need for the dismissal of the proposed creation of a new pool in Lea County, New Mexico, for the production of oil from the Pennsylvanian formation and to bear the designation of East Shoe-Bar Pennsylvanian Pool pending further study.

(7) 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 Tulk-Abo Pool. Said Tulk-Abo Pool was discovered by the Coastal Oil & Gas Corporation State 27 Well No. 3 located in Unit A of Section 27, Township 14 South, Range 32 East, NMPM. It was completed in the Abo formation on January 16, 1987. The top of the perforations is at 8,879 feet.

(8) There is need for certain extensions to the Little Lucky Lake-Morrow Gas Pool in Chaves County, New Mexico, and the Northwest Antelope Ridge-Bone Spring Pool, the South Corbin-Wolfcamp Pool, the Mescalero Escarpe-Bone Spring Pool, and the Pitchfork Ranch-Atoka 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 San Andres production is hereby created

Case No. 9157
Order No. R-8461

and designated as the Airstrip-San Andres Pool, consisting of the following described area:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 26: SW/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 Baum-Abo Pool, consisting of the following described area:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 20: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 26: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 32: NW/4

(e) The proposed creation of the East Shoe Bar-Pennsylvanian Pool in Lea County, New Mexico, is hereby dismissed.

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

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
Section 27: NE/4

(g) The Northwest Antelope Ridge-Bone Spring 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 10: SW/4

-4-

Case No. 9157
Order No. R-8461

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 16: SE/4

(i) The Little Lucky Lake-Morrow Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 30: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 10: SE/4

(k) The Pitchfork Ranch-Atoka Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 32: S/2
Section 33: NW/4

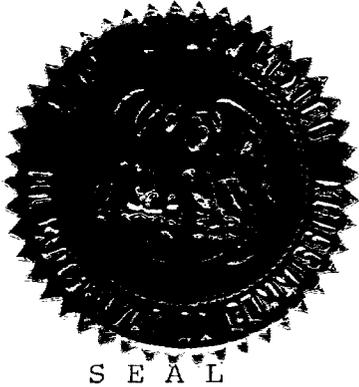
IT IS FURTHER ORDERED THAT:

(l) Pursuant to Section 70-2-18, NMSA, 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 shall subject the well to cancellation of allowable.

-5-
Case No. 9157
Order No. R-8461

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

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "William J. Lemay".

WILLIAM J. LEMAY
Director

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