

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. 9486
Order No. R-8747

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on September 14, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 19th day of September, 1988, 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 Eddy County, New Mexico, for the production of oil from the Delaware formation, said pool to bear the designation of Filaree Dome-Delaware Pool. Said Filaree Dome-Delaware Pool was discovered by the Primary Fuels, Inc. PFI Amoco 19 Federal Well No. 2 located in Unit K of Section 19, Township 22 South, Range 26 East, NMPM. It was completed in the Delaware formation on April 2, 1988. The top of the perforations is at 2,332 feet.

(3) 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 South Lusk-Delaware Pool. Said South Lusk-Delaware Pool was discovered by the Siete Oil and Gas Corporation Nugget

State Well No. 1 located in Unit A of Section 36, Township 19 South, Range 31 East, NMPM. It was completed in the Delaware formation on April 9, 1988. The top of the perforations is at 6,493 feet.

(4) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of gas from the Abo formation, said pool to bear the designation of Miller Lake-Abo Gas Pool. Said Miller Lake-Abo Gas Pool was discovered by the Moroilco, Inc. O'Brien Well No. 1 located in Unit C of Section 25, Township 7 South, Range 29 East, NMPM. It was completed in the Abo formation on November 11, 1986. The top of the perforations is at 6,488 feet.

(5) There is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Pierce Crossing-Wolfcamp Pool. Said Pierce Crossing-Wolfcamp Pool was discovered by the Enron Oil and Gas Company Queen Lake 20 Federal Well No. 1 located in Unit E of Section 20, Township 24 South, Range 29 East, NMPM. It was completed in the Wolfcamp formation on March 1, 1988. The top of the perforations is at 9,884 feet.

(6) 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 Wooten Ranch-Atoka Gas Pool. Said Wooten Ranch-Atoka Gas Pool was discovered by the BTA Oil Producers 8710 JV-P Tank Well No. 1 located in Unit P of Section 33, Township 23 South, Range 24 East, NMPM. It was completed in the Atoka formation on May 25, 1988. The top of the perforations is at 8,871 feet.

(7) There is need for the abolishment of the Buffalo Valley-Morrow Gas Pool in Chaves County, New Mexico, in order to place the abolished acreage in the Buffalo Valley-Pennsylvanian Gas Pool.

(8) There is need for certain extensions to the Atoka Glorieta-Yeso Pool, the Brushy Draw-Delaware Pool, the Cemetery-Morrow Gas Pool, the West Four Mile Draw-Morrow Gas Pool, the Rustler Bluff-Atoka Gas Pool, the Salt Draw-Atoka Gas Pool, the South Sand Dunes-Lower Pennsylvanian Gas Pool, the North Shugart-Bone Spring Pool, the Tamano-Bone Spring Pool, and the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool, all in Eddy

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County, New Mexico, and the Foor Ranch-PrePermian Gas Pool, the Foor Ranch-Wolfcamp Gas Pool, the South Pecos Slope-Abo Gas Pool, and the West Pecos Slope-Abo Gas Pool, all in Chaves County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 19: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 36: NE/4

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

TOWNSHIP 7 SOUTH, RANGE 29 EAST, NMPM
Section 25: NW/4

(d) A new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production is hereby created and designated as the Pierce Crossing-Wolfcamp Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 20: W/2

(e) A new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production is hereby created and designated as the Wooten Ranch-Atoka Gas Pool, consisting of the following described area:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 33: S/2

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(f) The Buffalo Valley-Morrow Gas Pool in Chaves County, New Mexico, consisting of the following described area:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 14: S/2

is hereby abolished.

(g) The Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 14: S/2

(h) The Atoka Glorieta-Yeso Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 25: SE/4 and S/2 SW/4

(i) The Brushy Draw-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 28: SE/4

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 11: W/2
Section 14: N/2
Section 15: E/2

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

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 23: S/2
Section 25: N/2
Section 26: N/2

(l) The Foor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 14: E/2
Section 25: N/2
Section 26: N/2

(m) The West Four Mile Draw-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM
Section 7: N/2

(n) The South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 7: SE/4

(o) The West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 6 SOUTH, RANGE 22 EAST, NMPM
Section 17: SE/4

(p) The Rustler Bluff-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 4: W/2

(q) The Salt Draw-Atoka Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 36: E/2

(r) The South Sand Dunes-Lower Pennsylvanian Gas Pool in Eddy County, New Mexico, as heretofore classified,

defined, and described, is hereby extended to include therein:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 3: S/2

(s) The North Shugart-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 7: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 14: W/2

(u) The Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 1: SW/4

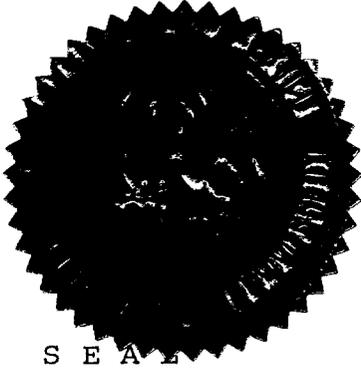
IT IS FURTHER ORDERED THAT:

(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 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.

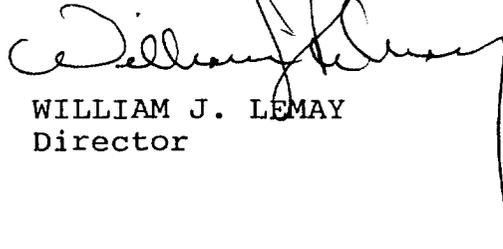
(2) The effective date of this order and all creations, abolishments, and extensions included herein shall be October 1, 1988.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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