

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. 8223
Order No. R-7555

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on June 6, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 14th day of June, 1984, the Division Director, having considered the testimony, the record, and 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 the 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 Northwest Fenton-Delaware Pool. Said Northwest Fenton-Delaware Pool was discovered by the Ammex Petroleum, Inc. Big Eddy Unit Well No. 98 located in Unit F of Section 7, Township 21 South, Range 28 East, NMPM. It was completed in the Delaware formation on March 20, 1984. The top of the perforations is at 2,942 feet.

(3) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Strawn formation, said pool to bear the designation of West Four Mile-Strawn Gas Pool. Said West Four Mile-Strawn Gas Pool was discovered by the Chama Petroleum Company Crusader Rabbit Well No. 1 located in Unit C of Section 8, Township

19 South, Range 26 East, NMPM. It was completed in the Strawn formation on March 29, 1984. The top of the perforations is at 8,257 feet.

(4) 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 Southeast Loving-Atoka Gas Pool. Said Southeast Loving-Atoka Gas Pool was discovered by the HNG Oil Company Loving 36 State Well No. 1 located in Unit N of Section 36, Township 23 South, Range 27 East, NMPM. It was completed in the Atoka formation on March 1, 1983. The top of the perforations is at 11,409 feet.

(5) 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 Ross Draw-Delaware Pool. Said Ross Draw-Delaware Pool was discovered by the J. C. Williamson Ross Draw Unit Well No. 2 located in Unit C of Section 34, Township 26 South, Range 30 East, NMPM. It was completed in the Delaware formation on March 6, 1984. The top of the perforations is at 3,816 feet.

(6) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of oil from the Cherry Canyon formation, said pool to bear the designation of West Ross Draw-Delaware Pool. Said West Ross Draw-Delaware Pool was discovered by the J. C. Williamson Abby Federal Well No. 1 located in Unit P of Section 28, Township 26 South, Range 30 East, NMPM. It was completed in the Cherry Canyon formation on January 3, 1983. The top of the perforations is at 4,888 feet.

(7) That there is need for the creation of a new pool in Eddy County, New Mexico, for the production of gas from the Delaware formation, said pool to bear the designation of Tecolote Peak-Delaware Gas Pool. Said Tecolote Peak-Delaware Gas Pool was discovered by the Ray Haskins Aminoil State Well No. 1 located in Unit C of Section 22, Township 26 South, Range 28 East, NMPM. It was completed in the Delaware formation on April 15, 1983. The top of the perforations is at 3,026 feet.

(8) That there is need for the redesignation of the East Atoka Atoka-Morrow Gas Pool in Eddy County, New Mexico, as the Red Lake Atoka-Morrow Gas Pool.

(9) That there is need for the extension of the vertical limits of the West Atoka-Cisco Gas Pool in Eddy County, New Mexico, to include the Canyon formation and the redesignation of said pool as the West Atoka-Upper Pennsylvanian Gas Pool.

(10) That there is need for certain extensions to the East Avalon-Bone Spring Pool, the Boyd-Morrow Gas Pool, the Esperanza-Delaware Pool, the Herradura Bend-Delaware Pool, the South Loco Hills Queen-Grayburg-San Andres Pool, the Malaga-Atoka Gas Pool, the East Millman Queen-Grayburg Pool, the Red Lake Queen-Grayburg-San Andres Pool, the Seven Rivers-Yeso Pool, and the North Square Lake Grayburg-San Andres Pool, all in Eddy County, New Mexico, and the Sams Ranch-Grayburg Gas Pool in Chaves County, New Mexico.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 7: NW/4

(b) That a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production is hereby created and designated as the West Four Mile-Strawn Gas Pool, consisting of the following described area:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM
Section 8: N/2

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

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 36: S/2

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

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 34: NW/4

(e) That a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon production is hereby created and designated as the West Ross Draw-Delaware Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
Section 28: SE/4

) That a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production is hereby created and designated as the Tecolote Peak-Delaware Gas Pool, consisting of the following described area:

TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM
Section 22: NW/4

(g) That the East Atoka Atoka-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby redesignated as the Red Lake Atoka-Morrow Gas Pool.

(h) That the vertical limits of the West Atoka-Cisco Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, are hereby extended to include the Canyon formation and said pool is redesignated as the West Atoka-Upper Pennsylvanian Gas Pool.

(i) That the East Avalon-Bone Spring Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 27: All
Section 34: E/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 2: Lots 1 through 8

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 14: S/2
Section 23: All

(k) That the Esperanza-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 28: All
Section 33: All

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(l) That the Herradura Bend-Delaware Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 36: N/2

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 31: W/2

(m) That the South Loco Hills Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 32: SE/4 and S/2 SW/4

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 5: All

(n) That the Malaga-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
Sections 1 and 2: All

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 6: W/2

(o) That the East Millman Queen-Grayburg 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 18: NE/4

(p) That the Red Lake Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 13: N/2

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 7: N/2

(q) That the Sams Ranch-Grayburg Gas Pool in Chaves County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 14 SOUTH, RANGE 28 EAST, NMPM
Section 12: NW/4

(r) That the Seven Rivers-Yeso Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 34: N/2

(s) That the North Square Lake Grayburg-San Andres Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
Section 11: SE/4 and S/2 SW/4
Section 14: NW/4

IT IS FURTHER ORDERED:

(1) That 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 the allowable.

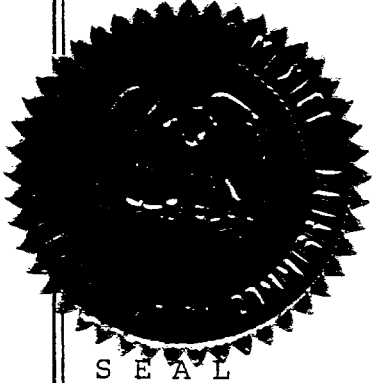
(2) That the effective date of this order and all creations, redesignations, and extensions of vertical and horizontal limits included herein shall be July 1, 1984.

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Joe D. Ramey
JOE D. RAMEY
Director

fd/