

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. 8716
Order No. R-8041

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on September 25, 1985, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 3rd day of October, 1985, 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 gas from the Seven Rivers formation, said pool to bear the designation of North San Miguel-Seven Rivers Gas Pool. Said North San Miguel-Seven Rivers Gas Pool was discovered by the MorOilCo Inc. Stivason Federal Well No. 1 located in Unit A of Section 33, Township 19 South, Range 34 East, NMPM. It was completed in the Seven Rivers formation on June 22, 1984. The top of the perforations is at 3,909 feet.

(3) There is need for the creation of a new pool in Chaves County, New Mexico, for the production of oil from the Wolfcamp formation, said pool to bear the designation of Southwest Tulk-Wolfcamp Pool. Said Southwest Tulk-Wolfcamp Pool was discovered by the Chevron USA Inc. L. Wrinkle Well No. 1 located in Unit D

of Section 13, Township 15 South, Range 31 East, NMPM. It was completed in the Wolfcamp formation on June 20, 1985. The top of the perforations is at 8,828 feet.

(4) There is need for the extension of the vertical limits of the West Kemnitz-Lower Wolfcamp Pool in Lea County, New Mexico, to include the upper Wolfcamp formation and the redesignation of said pool as the West Kemnitz-Wolfcamp Pool.

(5) There is need for certain extensions to the Little Lucky Lake-Morrow Gas Pool in Chaves County, New Mexico, the Denton-Wolfcamp Pool, the Gem-Morrow Gas Pool, the East Hightower-Upper Pennsylvanian Pool, the West Nadine-Drinkard Pool, the Querecho Plains-Upper Bone Spring Pool, and the Red Hills-Wolfcamp Gas Pool, all in Lea County, New Mexico, and the North Chaveroo-Permo Pennsylvanian Pool in Roosevelt County, New Mexico.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 33: NE/4

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

TOWNSHIP 15 SOUTH, RANGE 31 EAST, NMPM
Section 13: NW/4

(c) The vertical limits of the West Kemnitz-Lower Wolfcamp Pool in Lea County, New Mexico, as heretofore classified, defined, and described, are hereby extended to include the upper Wolfcamp formation and said pool is redesignated as the West Kemnitz-Wolfcamp Pool.

(d) The North Chaveroo-Permo Pennsylvanian Pool in Roosevelt County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 7 SOUTH, RANGE 33 EAST, NMPM
Section 11: NW/4

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

TOWNSHIP 15 SOUTH, RANGE 37 EAST, NMPM
Section 15: S/2
Section 16: S/2

(f) 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 21: NE/4

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

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 29: NW/4

(h) 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: SE/4
Section 31: W/2 and NE/4

(i) The West Nadine-Drinkard 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 7: SW/4

(j) 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 26: NW/4

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

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 28: All

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Case No. 3716
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(1) The San Simon-Yates Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

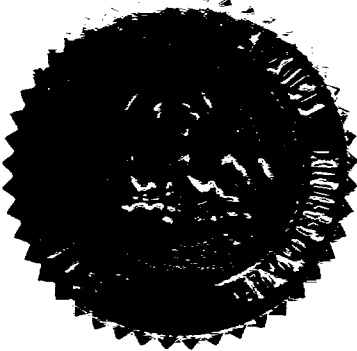
TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 4: NW/4

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, redesignations, and extensions of vertical and horizontal limits included herein shall be October 1, 1985.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS
Director

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