

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. 9038
Order No. R-8356

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 LEA COUNTIES, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 3, 1986, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 3rd day of December, 1986, 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 Chaves County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of Carson-Atoka Gas Pool. Said Carson-Atoka Gas Pool was discovered by the Robert R. Enfield Carson Federal Well No. 1 located in Unit L of Section 3, Township 9 South, Range 31 East, NMPM. It was completed in the Atoka formation on October 17, 1985. The top of the perforations is at 9,403 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Atoka formation, said pool to bear the designation of North Lovington-Atoka Gas Pool. Said North Lovington-Atoka Gas Pool was discovered by the North American Royalties Inc.

Hudgens Well No. 1 located in Unit J of Section 11, Township 16 South, Range 36 East, NMPM. It was completed in the Atoka formation on September 17, 1986. The top of the perforations is at 11,792 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Wolfcamp formation, said pool to bear the designation of West Pitchfork Ranch-Wolfcamp Gas Pool. Said West Pitchfork Ranch-Wolfcamp Gas Pool was discovered by the HNG Oil Company Madera Ridge 25 Federal Com Well No. 1 located in Unit L of Section 25, Township 24 South, Range 33 East, NMPM. It was completed in the Wolfcamp formation on September 15, 1986. The top of the perforations is at 13,528 feet.

(5) There is need for the extension of the vertical limits of the Lovington-San Andres Pool in Lea County, New Mexico, to include the Grayburg formation because the Texaco Producing Inc. Lovington San Andres Unit Waterflood Project includes both the San Andres and Grayburg formations. Further, there is need for the redesignation of said pool as the Lovington Grayburg-San Andres Pool.

(6) There is need for certain extensions to the Bronco-Siluro Devonian Pool, the Central Corbin-Queen Pool, the South Gladiola-Wolfcamp Pool, the North Lusk-Bone Spring Pool, the East Morton-Wolfcamp Pool, the Pitchfork Ranch-Atoka Gas Pool, the Northwest Shoe Bar-Strawn Pool, and the North Young-Bone Spring Pool, all in Lea County, New Mexico.

(7) The effective date of this order and all creations, redesignations, and extensions of vertical and horizontal limits included herein should be December 1, 1986.

IT IS THEREFORE ORDERED THAT:

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

TOWNSHIP 9 SOUTH, RANGE 31 EAST, NMPM
Section 3: W/2

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

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 11: S/2

(c) A new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production is hereby created and designated as the West Pitchfork Ranch-Wolfcamp Gas Pool, consisting of the following described area:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 25: W/2

(d) The Bronco-Siluro Devonian Pool in Lea County, New Mexico, as heretofore classified, defined, and described is hereby extended to include therein:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 15: NE/4

(e) The Central Corbin-Queen 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 9: SW/4

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

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 7: NW/4

(g) The vertical limits of the Lovington-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described are hereby extended to include the Grayburg formation, and said pool is hereby redesignated as the Lovington Grayburg-San Andres Pool.

(h) The North Lusk-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 32: NE/4

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

TOWNSHIP 14 SOUTH, RANGE 35 EAST, NMPM
Section 33: NE/4

Case No. 9038
Order No. R-8356

(j) 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 33: S/2

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 4: NW/4
Section 5: N/2

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

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 15: N/2

(l) The North Young-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 12: NW/4

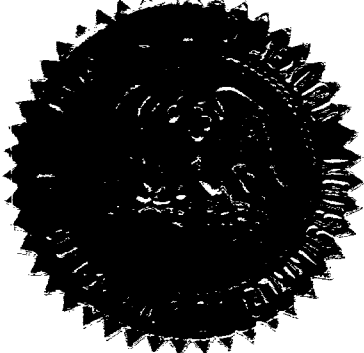
IT IS FURTHER ORDERED THAT:

(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 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 December 1, 1986.

-5-
Case No. 9038
Order No. R-8356

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 "R. L. Stamets".

R. L. STAMETS
Director

fd/