

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. 9273
Order No. R-8561

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 2, 1987, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 4th day of December, 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 Kemnitz-San Andres Pool. Said Kemnitz-San Andres Pool was discovered by the W & W Oil Company of Texas New Mexico 17 Well No. 1 located in Unit E of Section 17, Township 16 South, Range 34 East, NMPM. It was completed in the San Andres formation on September 5, 1987. The top of the perforations is at 5,058 feet.

(3) There is need for the creation of a new pool in Lea County, New Mexico, for the production of gas from the Yates formation, said pool to bear the designation of Nadine-Yates Gas Pool. Said Nadine-Yates Gas Pool was discovered by the Dewey G. Sparger Toni Well No. 1 located in Unit H of Section 22, Township 19 South, Range 38 East, NMPM. It was completed

in the Yates formation on October 10, 1987. The top of the perforations is at 2,800 feet.

(4) There is need for the creation of a new pool in Lea County, New Mexico, for the production of oil from the Atoka formation, said pool to bear the designation of Southwest Vacuum-Atoka Pool. Said Southwest Vacuum-Atoka Pool was discovered by the Texaco Producing Inc. New Mexico Z State TN Com Well No. 1 located in Unit C of Section 2, Township 18 South, Range 34 East, NMPM. The top of the perforations is at 11,860 feet.

(5) There is need for the contraction of the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, in order to prevent waste.

(6) There is need for the contraction of the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, in order to prevent waste.

(7) There is need for certain extensions to the Little Lucky Lake-Pennsylvanian Pool in Chaves County, New Mexico, the Blinebry Oil and Gas Pool, the West Corbin-Delaware Pool, the Corbin-Yates Pool, the Eumont Yates-Seven Rivers-Queen Pool, the Fairview Mills-Wolfcamp Gas Pool, the North Knowles-Devonian Pool, the Langley-Strawn Pool, the Northeast Lovington-Pennsylvanian Pool, the West Lusk-Delaware Pool, the Maljamar Grayburg-San Andres Pool, the Mescalero Escarpe-Bone Spring Pool, the West Tonto-Wolfcamp Pool, the West Tonto Yates-Seven Rivers Pool, and the Vacuum Grayburg-San Andres Pool, all in Lea County, New Mexico, and the Vada-Pennsylvanian Pool in Roosevelt 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 and designated as the Kemnitz-San Andres Pool, consisting of the following described area:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 17: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 22: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 2: NW/4

(d) The Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 35: SE/4 NW/4

(e) The Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby contracted by the deletion of the following described area:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 25: W/2 and SE/4

(f) The Blinebry Oil and Gas Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 8: SW/4

(g) The West Corbin-Delaware 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 17: W/2
Section 20: N/2

(h) The Corbin-Yates 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: S/2
Section 17: SE/4
Section 20: NE/4

(i) The Eumont Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM
Section 28: SW/4

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 10: N/2
Section 11: W/2

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

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 23: NE/4

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

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 17: NE/4

(m) The Little Lucky Lake-Pennsylvanian 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 28: W/2
Section 29: S/2

(n) The Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 1: SE/4

(o) The West Lusk-Delaware Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 30: SE/4

(p) The Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 25: W/2 and SE/4

Section 34: NE/4 SW/4 and SE/4

(q) 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: NE/4

Section 15: NE/4

(r) The West Tonto-Wolfcamp 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 6: S/2

(s) The West Tonto Yates-Seven Rivers Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 13: SW/4

(t) The Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 26: SE/4

Section 35: SE/4 NW/4

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

TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM

Section 25: SE/4

IT IS FURTHER ORDERED THAT:

(1) Pursuant to Section 70-2-18, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the

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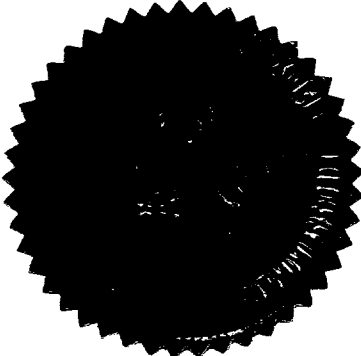
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above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating 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.

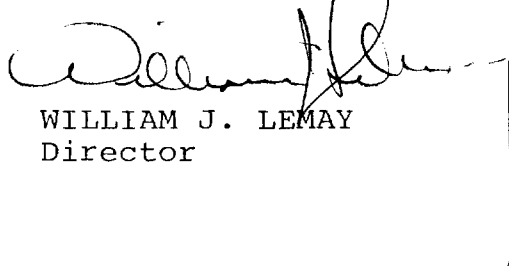
(2) The effective date of this order and all creations, contractions, and extensions included herein shall be January 1, 1988.

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



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

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