

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:

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NOMENCLATURE
CASE NO. 11750
ORDER NO. R-10848

APPLICATION OF CHESAPEAKE OIL COMPANY FOR POOL CREATION, SPECIAL
POOL RULES, AND THE ASSIGNMENT OF A DISCOVERY ALLOWABLE, LEA
COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 1, 1997 at Santa Fe, New Mexico,
before Examiner Michael E. Stogner.

NOW, on this 31st day of July, 1997, 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) The applicant in this matter, Chesapeake Oil Company ("Chesapeake"), is the
owner and operator of the Chambers "7" Well No. 1 (API No. 30-025-33623), located 1700 feet
from the North line and 900 feet from the East line (Unit H) of Section 7, Township 16 South,
Range 36 East, NMPM, Lea County, New Mexico, which was drilled to a total depth of 12,047
feet and subsequently completed in November, 1996 as a Strawn producing oil well through
perforations from 11458 feet to 11468 feet.

(3) By Division Order No. R-10776, issued in Case 11737, dated February 28, 1997
and made effective March 1, 1997, the Division created and defined the Northeast Shoe Bar-
Strawn Pool for the production of oil from the Strawn formation, with its horizontal limits
comprising the NE/4 of said Section 7. The discovery well for this pool was the aforementioned
Chambers "7" Well No. 1. The poolwide depth bracket allowable was therefore established
pursuant to General Rule 505.A as 365 barrels of oil per day.