CASE 4107: Appli. of COASTAL STATES GAS PRODUCING FOR SPECIAL RULES FOR W. SAWYER-SAN ANDRES.

Case Number.
210

Application

Transcripts.

Small Exhibits

CASE NO. 4107

1120 SIMMS BLDG. . P. O. BOX 1092 . PHONE 243-6691 . ALBUQUERQUE, NEW MEXICO

BEFORE THE AREA MEN MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico

June 25, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING



MR. UTZ: The hearing will come to order, please.
The first case is 4107.

MR. HATCH: Case No. 4107, continued from the April 23, 1969, Examiner Hearing, application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico.

The Commission has received a letter requesting that

MR. UTZ: Caso 4107 will be dismissed.

this case be dismissed.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO)

I, SAMUEL MORTELETTE, a Court Reporter and Notary

Public in and for the County of Bernalillo, State of New Mexico,
do hereby certify that the foregoing and attached Transcript

of Hearing is a record of the proceedings had before the

New Mexico Oil Conservation Commission, on June 25, 1969;
that same was reported by me; and that same is a true and

correct record, to the best of my knowledge, skill and ability.

NOTARY PUBLIC

s do hereby certify that the Formathy is a complete record of the process to the Examiner hearing of Gass to 410 7 heard by see on the second of 19.6.9.

Die Morice Oil Conservation Cosmission

BEFORE THE \$\frac{1}{2}\$
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico April 23, 1969

EXAMINER HEARING

IN THE MATTER OF:

) Case No. 4107

Application of Coastal States)
Gas Producing Company for)
special pool rules, Lea County,)
New Mexico.

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

dearnley-meier reporting service, inc

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. . P. O. BOX 1092 . PHONE 245-6691 . ALBUQUERQUE, NEW MEXICO



MR. UTZ: Case 4107.

MP. HATCH: Case 4107. Application of Coastal States Cas Producing Company for special pool rules, Lea County, New Mexico.

MP. HINKLE: Mr. Examiner, Clarence Hinkle,
Hinkle, Bondurant and Christy, representing Coastal
States Gas Producing Company. Coastal States would like
Case number 4107 continued until the last Examiner's
Hearing in June.

MR. UTZ: Case 4107 will be continued to the last Examiner Hearing in June, was it?

MR. HINKLE: Yes.

STATE OF NEW MEXICO)

COUNTY OF BERNALILLO)

I, GLENDA BURKS, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability. Witness my Hand and Seal this 30th day of April, 1969.

Menda Burks NOTARY PUBLIC

My Commission Expires:
March 12, 1973.

I do hereby sertify that the foregoing is a complete record of the propositions in the Exercise bearing of Caus No. 4/67.

heard by me on 19.69.

Now herico Oil Conservation commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

GOYERNOR DAVID F. CARGO CHAIRMÁN

July 8, 1969

Mr. Clarence Hinkle, Hinkle, Bondurant & Christy Attorneys at Law Post Office Box 10 Roswell, New Mexico 88201 Re: Case No. 4107
Order No. R-3782
Applicant:
Coastal States

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

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Copy of order also sent to:		
Hobbs OCC_X		
Artesia OCC		Book of the second
Aztec OCC		
Other		

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 4107 Order No. R-3782

APPLICATION OF COASTAL STATES GAS PRODUCING COMPANY FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 25, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 7th day of July, 1969, the Commission, a quorum being present, having considered the record and the recommendations of the Examiner, and being fully advised in the premises.

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 4107 is hereby dismissed.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

DAVID EL CARGO, Chairman

HEX J. RAIJO Member

A. L. PORTER, Jr., Member & Secretary

CLARENCE E.HINKLE
W.E.BONDURANT, JR.
S.B.CHRISTY IV
LEWIS C.COX, JR.
PAUL W.EATON, JR.
CONRAD E.COFFIELD
HAROLD L. HENSLEY, JR.
STUART D.SHANOR
C.D. MARTIN
PAUL J. KELLY, JR.

LAW OFFICES

HINKLE, BONDURANT & CHRISTY

600 HINKLE BUILDING

ROSWELL, NEW MEXICO 682012

June 19, 1969

MIDLAND, TEXAS OFFICE 521 MIDLAND TOWER (915) MU 3-4691

TELEPHONE (505) 622-6510 Post Office Box 10

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

We filed Case No. 4107 on behalf of Coastal States Gas Producing Company, which appears on the examiner's docket for June 25, 1969. This is an application for special pool rules for the West Sawyer (San Andres) Pool, Lea County.

We have just been advised by Coastal States that they have not yet completed their drilling program in this area to the extent of determining whether they desire to go ahead with the application and have suggested that the application be dismissed without prejudice as they may want to apply for special pool rules at a later date.

You may, therefore, consider this letter as a request on behalf of Coastal States that this case be dismissed without prejudice.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

CEH:cs

cc: Jack McGraw

By Clarence E. Hinkle

CLARENCE E.HINKLE W. E.BONDURANT, JR. S. B. CHRISTY IV LEWIS C. GOX,JR. PAUL W. EATON, JR. CONRAD E. COFFIELD HAROLD L.HENSLEY, JR. MICHAEL R. WALLER STUART D. SHANOR

LAW OFFICES

HINKLE, BONDURANT & CHRISTY

600 HINKLE BUILDING

ROSWELL, NEW MEXICO 88201

March 17, 1969

MIDLAND, TEXAS OFFICE 521 MIDLAND TOWER (915) MU 3-4691

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OF COUNSEL: HIPAM M. COW

TELEPHONE (505) 622-6510 POST OFFICE BOX 10

Car 4107

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith in triplicate application fo Coastal States Gas Producing $^{\rm C}$ ompany for adoption of temporary special field rules for the West Sawyer (San Andres) Pool, Lea County.

We would appreciate your placing this matter on the docket for the examiner's hearing to be held on April 23.

Yours very truly,

BONDURANT & CHRISTY

CEH:cs

Enc.

Jon Jano 25th Fearing Dolle 6-12-69

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 25, 1969

9 A. M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4151:

Application of Northern Natural Gas Company for the suspension of certain provisions of Rules 14 (A) and 15 (A) of Order No. R-1670, as amended, of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico. Applicant, in the above-styled cause, seeks suspension, for a period of one year from July 1, 1969, of those provisions of Rules 14 (A) and 15 (A) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, that provide, respectively, for the cancellation of unproduced allowable and the shutting-in of overproduced wells. Applicant seeks said suspension for the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools.

CASE 4152:

Application of Anadarko Production Company for an amendment of Order No. R-3628, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3628, which authorized the institution of a waterflood project in the Loco Hills SandUnit Area, Loco Hills Pool, by the injection of water through certain wells located in Township 18 South, Range 29 East, Eddy County, New Mexico. Applicant seeks to delete 3 injection wells located or to be located in Section 4 of said Township and Range and to substitute in lieu thereof the following 3 wells in said Section 4;

A well to be drilled 2460 feet from the North line and 180 feet from the East 11.39

A well to be drilled 1980 feet from the South and West lines;

A well to be drilled 10 feet from the South line and 1650 feet from the West line.

Applicant further seeks a procedure whereby other injection wells may be substituted administratively for those previously authorized in order to have an efficient injection pattern.

CASE 4141: (Readvertised)

Application of McCasland Disposal System for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the

Examiner Hearing - June 25, 1969 -2- (Case 4141 continued)

Seven Rivers formation in the intervals from approximately 3756 feet to 3851 feet and from approximately 3918 feet to 3939 feet, respectively, in the Getty Oil Company J. H. Day Wells Nos. 1 and 2, both located in the NW/4 of Section 6, Township 22 South, Range 36 East, Jalmat Field, Lea County, New Mexico.

CASE 4153:

Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp and Pennsylvanian formations in the interval from approximately 9508 feet to 10,000 feet in its L. W. Ward Well No. 5 located in Unit J of Section 11, Township 13 South, Range 38 East, Bronco-Wolfcamp Pool, Lea County, New Mexico.

CASE 4107:

(Continued from the April 23, 1969 Examiner Hearing)
Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Savar-San Andres Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

CASE 4144:

(Continued from the June 4, 1969, Examiner Hearing)
Application of Sam G. Dunn Oil Operations for salt water disposal, Chaves County, New Mexico. Applicant, in the abovestyled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 1910 feet to 1950 feet in its E. Faircloth "C" Well No. 1 located in Unit N of Section 32, Township 7 South, Range 27 East, Acme-San Andres Pool, Chaves County, New Mexico.

CASE 4154:

Application of Pan American Petroleum Corporation for a pool creation and discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Blinebry oil pool for its State "C" Tract 11 Well No. 3 located in the NM/4 SE/4 of Section 2, Township 21 South, Range 36 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 28,510 barrels to said well.

CASE 4155:

Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said

-3-

(Case 4155 continued)

exception would be for the applicant's wells located in Sections 28 and 33, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico. Applicant seeks authority to dispose of salt water produced by said wells in unlined surface pits in said sections.

CASE 4156:

Application of Jack L. McClellan for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's wells located in the SE/4 and NE/4, respectively, of Section 13 and 24, Township 15 South, Range 29 East, Sulimar-Queen Pool, Chaves County, New Mexico. Applicant, seeks authority to dispose of salt water produced by said wells in unlined surface pits located in said quarter sections.

CASE 4157:

Application of Texaco Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Eunice-Monument Unit Area comprising 1516 acres, more or less, of State and fee lands in Township 20 South, Ranges 36 and 37 East, Lea County, New Mexico.

CASE 4158:

Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Eunice-Monument Unit Area by the injection of water into the Grayburg and San Andres formations through 18 wells located in Section 24, Township 20 South, Range 36 East, and in Sections 19, 20, 21, 29 and 30, Township 20 South, Range 37 East, Eunice-Monument (Grayburg-San Andres) Pools, Lea County, New Mexico.

CASE 4159:

Application of Southwestern Natural Gas Company, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill at an unorthodox oil well location 2310 feet from the North line and 1980 feet from the West line of Section 27, Township 15 South, Range 32 East, North Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico.

Docket No. 12-69

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 23, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM, STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4079:

(Continued from the March 26, 1959, Examiner Hearing)
Application of Robert B. Holt for the creation of a new pool, assignment of a discovery allowable, and the promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Middle Pennsylvanian oil pool for his Aztec State Well No. 2 located in Unit A of Section 26, Township 13 South, Range 32 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 48,715 barrels to said well. Applicant further seeks the promulgation of special pool rules for said pool, including a provision for 160-acre proration units and the assignment of 80-acre allowables.

CASE 4106:

Application of Southland Royalty Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Permo-Pennsylvanian formation in the perforated interval from approximately 9485 feet to 9713 feet in its Guye Well No. 4 located in Unit F of Section 12, Township 11 South, Range 33 East, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico.

CASE 4107:

Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sawyer-San A dres Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

CASE 4108:

Application of Humble Oil & Refining Company for the rededication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to recomplete its New Mexico "V" State Well No. 5, a non-commercial Wantz-Abo oil producer, to a Tubb gas producer and to consolidate the 40 acres presently dedicated to said well with the 120 acres presently dedicated to its New Mexico "V" State Well No. 11, a Tubb gas producer, to form a standard 160-acre proration unit comprising the SW/4 of Section 10, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.

CASE 4109;

Application of Humble Oil & Refining Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Lea Unit Area comprising 8,324.16 acres, more or less, of State, Federal, and Fee lands in Township 26 South, Range 36 East, Lea County, New Mexico.

- CASE 4110: Application of Atlantic-Richfield Company for a waterflood project and unorthodox injection well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Queen formation through one well to be drilled at an unorthodox location 100 feet from the North and West lines of Section 23, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.
- CASE 4111: Application of Tenneco Oil Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Morton Federal Well No. 1, located in Unit A of Section 12, Township 9 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Vada-Pennsylvanian Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres, Abo and possibly other formations in the open-hole interval from approximately 4050 feet to 8120 feet.
- Application of P-M Drilling Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from approximately 5062 feet to 5100 feet in its James Federal Well No. 1 located in Unit A of Section 35, Township 23 South, Range 32 East, Triste Draw-Delaware Pool, Lea County, New Mexico.
- CASE 4113: Application of Texas Pacific Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to substitute its State "D" A/c-1 Well No. 1 located in Unit A of Section 2, Township 12 South, Range 33 East, in lieu of its State "C" A/c-1 Well No. 1 located in Unit B of said Section 2 as the producing well for the proration unit comprising the N/2 NE/4 of said Section 2, Bagley-Siluro-Devonian Pool, Lea County, New Mexico.
- CASE 4114: Application of Gulf Oil Corporation for two unorthodox oil well locations and amendment to Order No. R-2729, Lea County, New Mexico. Applicant in the above-styled cause, seeks authority to drill two producing oil wells at unorthodox locations in Township 19 South, Range 35 East, as infill wells in the West Pearl Queen Unit Waterflood Project, Pearl Queen Pool, Lea County, New Mexico, said wells to be located as follows:

West Pearl Queen Unit Well No. 164 to be located 1325 feet from the North line and 2635 feet from the West line of Section 32;

West Pearl Queen Unit Waterflood Well No. 165 to be located 1420 feet from the South line and 1325 feet from the West line of Section 29;

(Case 4114 continued)

Applicant also seeks the amendment of Order No. R-2729, which order authorized the aforesaid waterflood project, to establish a procedure whereby additional injection wells and producing wells at unorthodox infill locations, as may be necessary to complete an efficient injection and producing pattern, may be approved administratively.

- CASE 4115: Application of Southern Union Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the abovestyled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 16, Township 29 North, Range 9 West, Basin-Dakota Pool, San Juan County, New Mexico. Said acreage to be dedicated to a well to be drilled at a standard location in the W/2 of said Section 16. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.
- CASE 4116: Application of Tesoro Petroleum Corporation for the amendment of Order No. R-2797 and for the extension of the South Hospah-Upper Sand Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-2797, which order approved the Hospah Unit Agreement, to delete from said unit agreement 233.87 acres in the Southeast portion of Section 1, Township 17 North, Range 9 West, McKinley County, New Mexico. Applicant also seeks the extension of the South Hospah-Upper Sand Pool to include a portion of the Southeast quarter of said Section 1.
- CASE 4117: Application of Eastern Petroleum Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, permitting the drilling of wells on 2½-acre spacing provided that no well be located nearer than 50 feet to the outer boundary of the quarter-quarter section and no nearer than 165 feet to another well producing from the same pool, and provided further, that a 40-acre proration unit would be subject to a 40-acre allowable regardless of the number of wells on the unit.
- CASE 4118:

 Application of Dugan Production Corporation for downhole commingling,
 San Juan County, New Mexico. Applicant, in the above-styled cause,
 seeks authority to commingle gas production from undesignated
 Fruitland and Pictured Cliffs gas pools in the well-bore of its Federal
 "I" Well No. 4, located in the NE/4 NW/4 of Section 1, Township 29
 North, Range 14 West, San Juan County, New Mexico.
- CASE 4096: (Continued from the April 5, 1969, Examiner Hearing)

Application of Kersey & Company for a waterflood project, Eddy County, New Mexicc. Applicant, in the above-styled cause, seeks authority

to institute a waterflood project by the injection of water into the Seven Rivers formation through four wells located in Units C, D, and F of Section 25, Township 17 South, Range 28 East, Aid (Yates-Seven Rivers) Pool, Eddy County, New Mexico.

CASE 4078: (Continued from the April 9, 1969, Examiner Hearing)

Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Devils Fork-Gallup Pool and an undesignated Mesaverde oil pool in the well-bore of his NCRA State Well No. 3 located in Unit L of Section 16, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF COASTAL STATES GAS PRODUCING COMPANY FOR ADOPTION OF TEMPORARY SPECIAL FIELD RULES FOR THE WEST SAWYER (SAN ANDRES) POOL, LEA COUNTY, NEW MEXICO, INCLUDING 80 ACRE SPACING AND 80 ACRE ALLOWABLES.

Case 4107

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Comes Coastal States Gas Producing Company, acting by and through the undersigned attorneys, and hereby makes application for the adoption of temporary special field rules for the West Sawyer (San Andres) Pool, Lea County, New Mexico, including 80 acre spacing and 80 acre allowables and in support thereof respectfully shows:

- 1. That applicant completed a discovery well in the SW\(\) Section 33, Township 9 South, Range 37 East, N.M.P.M. and as a result of the discovery the Commission designated the pool as the West Sawyer (San Andres) Pool in February 1969. Since the completion of the initial test well a second well producing from said pool has been completed by applicant located in the SE\(\) W\(\) Section 33.
- 2. That applicant believes and upon such information and belief states that each well producing from the West Sawyer (San Andres) Pool will effectively and efficiently drain 80 acres or more and that in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights it is in the interest of conservation and the prevention of waste to promulgate temporary special field rules and regulations providing for 80 acre spacing units and 80 acre proration units in the West Sawyer (San Andres) Pool.

- 3. That applicant proposes that each well drilled to and producing from the West Sawyer (San Andres) Pool be located on a standard unit containing 80 acres more or less, consisting of the N_2^1 , S_2^1 , E_2^1 or W_2^1 of a single governmental quarter section.
- 4. That there is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat showing the location of the Coastal States No. 1 and 2 wells located in said Section 33 and all of the wells which have been drilled within a radius of 2 miles from said wells, and the depths from which the same are producing, as well as the ownership of the leasehold interests in the surrounding area and the character of the land involved.
- 5. That applicant respectfully requests that this matter be included on the docket for the examiner's hearing to be held on April 23.

Respectfully submitted,

COASTAL STATES GAS PRODUCING COMPANY

Member of the Firm of

HINKLE, BONDURANT & CHRISTY

Attorneys for Applicant

Box 10

Roswell, New Mexico 88201

GMH/esr

14

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

KM

CASE No. 4107

Order No. R-378

APPLICATION OF COASTAL STATES GAS PRODUCING COMPANY FOR SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 c-clock a.m. on June 25 , 196_{-9}^{-9} , at Santa Fe, New Mexico, before Examiner Elvis A. Utz

NOW, on this day of , 1969, the Commission, a quorum being present, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED:

That Case No. 4107 is hereby dismissed.

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