

Entered September 1, 1959

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF THE ATLANTIC
REFINING COMPANY FOR AN ORDER
COMBINING THE ALLISON-PENNSYL-
VANIAN AND NORTH ALLISON PENN-
SYLVANIAN POOLS, LEA AND ROOSE-
VELT COUNTIES, NEW MEXICO, AND
FOR THE PROMULGATION OF SPECIAL
RULES AND REGULATIONS TO PROVIDE
FOR 80-ACRE PRORATION UNITS.

CASE NO. 1637
Order No. R-1389-B

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 15, 1959, at Hobbs, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," and Order No. R-1389 was entered on May 7, 1959. The case was reopened and a rehearing held on July 15, 1959, at Mabry Hall, State Capitol, Santa Fe, New Mexico.

NOW, on this 26th day of August, 1959, the Commission, a quorum being present, having considered the application and the evidence adduced at the original hearing and at the rehearing and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, The Atlantic Refining Company, seeks an order combining the Allison-Pennsylvanian Pool and the North Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, New Mexico.

(3) That the testimony presented establishes that the wells in the Allison-Pennsylvanian Pool and the North Allison-Pennsylvanian Pool, as well as certain intervening acreage, are producing from a single common source of supply and that said pools should be combined and designated as the Allison-Pennsylvanian Pool with the pool to encompass the acreage shown in Appendix "A" attached hereto and made a part hereof.

(4) That the applicant further seeks the promulgation of special rules and regulations for said Allison-Pennsylvanian Pool to provide for 80-acre proration units.

(5) That the applicant has proved by a preponderance of the evidence that the Allison-Pennsylvanian Pool, comprising the acreage shown in Appendix "A," can be efficiently and economically drained and developed on 80-acre proration units.

(6) That to require development of the Allison-Pennsylvanian Pool on 40-acre proration units might cause the drilling of unnecessary wells.

(7) That the evidence presented indicates that it is uneconomical to drill wells on 40-acre proration units in the Allison-Pennsylvanian Pool and to remain on such a spacing pattern might impede further development in said pool.

(8) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That Commission Order No. R-1389, dated May 7, 1959, be and the same is hereby superseded effective September 1, 1959.

(2) That special rules and regulations for the Allison-Pennsylvanian Pool in Lea and Roosevelt Counties, New Mexico, with horizontal limits as described in Appendix "A," be and the same are hereby promulgated as follows effective September 1, 1959; provided, however, that the increased allowable provisions contained herein shall not become effective until October 1, 1959.

SPECIAL RULES AND REGULATIONS FOR THE
ALLISON-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Allison-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Allison-Pennsylvanian Pool, and not nearer to nor within the limits of another designated Pennsylvanian pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Allison-Pennsylvanian Pool shall be located on a unit containing 80 acres, more or less, which consists of the S/2, N/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either the NW/4 or the SE/4 of the quarter section on which the well is located. Any well which was drilling to or completed in the Allison-Pennsylvanian Pool prior to September 1, 1959, is granted an exception to the well location requirements of this Rule.

RULE 4. For good cause shown, the Secretary-Director may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot or when the application is for the purpose of joining fractional lots not exceeding 20.49 acres each with a standard unit. All operators offsetting the proposed non-standard unit shall be notified of the application by registered mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Allison-Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Allison-Pennsylvanian Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

IT IS FURTHER ORDERED:

That Operators who propose to dedicate 80 acres to a well in the Allison-Pennsylvanian Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by September 15, 1959, in order that the well may be assigned an 80-acre allowable on the October proration schedule.

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APPENDIX "A"

ALLISON-PENNSYLVANIAN POOL

HORIZONTAL LIMITS

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM, ROOSEVELT COUNTY

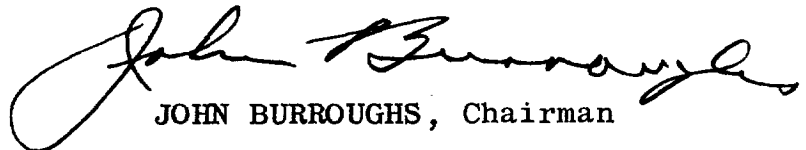
Section 35: E/2
Section 36: W/2 W/2

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY

Section 1: W/2 W/2
Section 2: E/2 NW/4, SW/4, E/2
Section 10: NE/4
Section 11: All
Section 12: W/2 NW/4

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

SEAL

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