

*Continued December 28, 1964
C.L.P.*

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. 2660
Order No. R-2348-B

APPLICATION OF MIDWEST OIL CORPORATION
FOR THE CREATION OF A NEW OIL POOL AND
FOR THE ESTABLISHMENT OF TEMPORARY
SPECIAL RULES AND REGULATIONS, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 15, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of December, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 by Order No. R-2348, dated October 25, 1962, temporary Special Rules and Regulations were promulgated for the Middle Lane-Pennsylvanian Pool, Lea County, New Mexico.

(3) That by Order No. R-2348-A, dated October 30, 1963, said temporary Special Rules and Regulations were continued in full force and effect for an additional one-year period.

(4) That pursuant to the provisions of Order No. R-2348-A, this case was reopened to allow the operators in the subject pool to appear and show cause why the Middle Lane-Pennsylvanian Pool should not be developed on 40-acre proration units.

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(5) That the applicant also seeks amendment of the Special Rules and Regulations for the Middle Lane-Pennsylvanian Pool to delete the requirement that wells be located in the NW/4 or the SE/4 of a governmental quarter section.

(6) That due to the limited size of the subject pool and the erratic nature of the Pennsylvanian formation in this area, the Special Rules and Regulations should be amended as proposed by the applicant.

(7) That the evidence establishes that one well in the Middle Lane-Pennsylvanian Pool can efficiently and economically drain and develop 80 acres.

(8) That the Special Rules and Regulations promulgated by Orders No. R-2348 and No. R-2348-A, as amended by this order, will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

(9) That 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, the Special Rules and Regulations promulgated by Orders No. R-2348 and No. R-2348-A, as amended by this order, should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That Rule 4 of the Special Rules and Regulations governing the Middle Lane-Pennsylvanian Pool promulgated by Orders No. R-2348 and No. R-2348-A is hereby amended to read in its entirety as follows:

RULE 4. Each well shall be located no nearer than 330 feet to any governmental quarter-quarter section or lot line.

(2) That the Special Rules and Regulations governing the Middle Lane-Pennsylvanian Pool promulgated by Orders No. R-2348 and No. R-2348-A, as amended by this order, are hereby continued in full force and effect until further order of the Commission.

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(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

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