

Entered January 18, 1967
A.P.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. 3278
Order No. R-2944-A

APPLICATION OF STANDARD OIL COMPANY
OF TEXAS FOR SPECIAL RULES FOR THE
STATELINE-ELLENBURGER POOL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 4, 1967,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of January, 1967, 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-2944, dated August 6, 1965, tempo-
rary Special Rules and Regulations were promulgated for the
Stateline-Ellenburger Pool, Lea County, New Mexico.

(3) That pursuant to the provisions of Order No. R-2944,
this case was reopened to allow the operators in the subject pool
to appear and show cause why the Stateline-Ellenburger Pool should
not be developed on 40-acre spacing units.

(4) That the evidence establishes that one well in the
Stateline-Ellenburger Pool can efficiently and economically
drain and develop 80 acres.

(5) That Rule 6 of the Special Rules and Regulations govern-
ing the Stateline-Ellenburger Pool provided that each well be
assigned an allowable in accordance with Order No. R-2943.

-2-

CASE No. 3278

Order No. R-2944-A

(6) That the allowable provisions of said Order No. R-2943 were continued in effect by Order No. R-2943-A until April 30, 1967.

(7) That Rule 6 of the Special Rules and Regulations governing the Stateline-Ellenburger Pool should be amended to read in its entirety as follows:

RULE 6. Each well shall be assigned an allowable in accordance with Order No. R-2943-A. 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. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

(8) That the Special Rules and Regulations promulgated by Order No. R-2944, as amended by this order, have afforded and 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 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, the Special Rules and Regulations promulgated by Order No. R-2944, 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 6 of the Special Rules and Regulations governing the Stateline-Ellenburger Pool, Lea County, New Mexico, promulgated by Order No. R-2944, is hereby amended to read in its entirety as follows:

RULE 6. Each well shall be assigned an allowable in accordance with Order No. R-2943-A. 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. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

-3-

CASE No. 3278

Order No. R-2944-A

(2) That the Special Rules and Regulations governing the Stateline-Ellenburger Pool, Lea County, New Mexico, promulgated by Order No. R-2944, as amended by this order, are hereby continued in full force and effect until further order of the Commission.

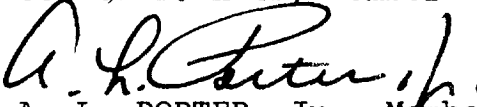
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

esr/