

*Entered August 1, 1967  
A.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. 3628  
Order No. R-3288

APPLICATION OF CHARLES E. SEED  
FOR FOUR OGALLALA OIL PRORATION  
UNITS AND SPECIAL RULES, LEA  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 26, 1967,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of August, 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 the applicant, Charles E. Seed, seeks authority to  
develop each of the quarter-quarter sections comprising the SW/4  
of Section 30, Township 18 South, Range 38 East, NMPM, Lea County,  
New Mexico, for the production of oil from the Ogallala formation  
to a maximum density of one well per 0.625-acre tract with no well  
being nearer than 82.5 feet to the outer boundary of a 40-acre  
unit and no nearer than 165 feet to another oil well producing  
from the Ogallala formation, provided that an exception should be  
made for existing wells located on the aforesaid tracts which are  
not located in conformance with said spacing rules.

(3) That the applicant also seeks a temporary exception to  
Rule 307 of the Commission Rules and Regulations for each well  
to be drilled on the aforesaid quarter-quarter sections to the  
Ogallala formation in order to permit the utilization of a

-2-

CASE No. 3628

Order No. R-3288

vacuum-type drilling unit during the drilling and completion of said wells.

(4) That the applicant further seeks authority to produce all wells, authorized by this order, on each 40-acre unit at capacity even though the aggregate production from said wells exceeds the 40-acre normal unit allowable.

(5) That the Ogallala formation is the major source of fresh water in the Lea County Underground Water Basin as declared by the State Engineer.

(6) That the oil existing in the Ogallala formation is not the result of a natural accumulation of oil and, therefore, does not constitute an oil pool as commonly understood in the oil and gas business.

(7) That the presence of oil in the Ogallala formation constitutes a hazard to the fresh water supplies therein.

(8) That said oil should be removed from the Ogallala formation, a fresh water aquifer, as quickly and efficiently as possible.

(9) That the utilization as proposed by the applicant of a vacuum-type drilling unit during the drilling and completion of said wells will not damage any stratum containing oil or gas.

(10) That in order to facilitate the removal of oil, an adulterous substance when present in the Ogallala formation, from said aquifer, the applicant should be authorized to develop the aforesaid quarter-quarter sections for the production of oil from the Ogallala formation to the density requested by the applicant, to utilize a vacuum-type drilling unit during drilling and completion of said wells, and to produce said wells at capacity.

(11) That the applicant, Charles E. Seed, is the owner of four "water" wells located in the aforesaid quarter section and drilled under authority granted by the State Engineer.

(12) That said four "water" wells are capable of and are producing oil from the Ogallala formation.

(13) That upon expiration of the water well permits authorizing the aforesaid four "water" wells, said wells should be classified as oil wells.

-3-

CASE No. 3628  
Order No. R-3288

IT IS THEREFORE ORDERED:

(1) That the applicant, Charles E. Seed, is hereby authorized to develop each of the quarter-quarter sections comprising the SW/4 of Section 30, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, to a maximum density of one well per 0.625-acre tract for the purpose of removing oil from the Ogallala formation, a fresh water aquifer;

PROVIDED HOWEVER, that no well shall be drilled nearer than 82.5 feet to the outer boundary of a 40-acre tract and no nearer than 165 feet to another oil well located on said tract.

(2) That the locations of the four "water" wells presently completed in and producing oil from the Ogallala formation are hereby approved as oil wells, effective upon the termination of the water well permits authorizing said wells; that the operator of the four "water" wells shall notify the Hobbs District Office of the Commission in writing of the name and location of said four wells upon expiration of the water well permits and shall also file with said office Forms C-101 and C-102 in accordance with Rules 1101 and 1102 of the Commission Rules and Regulations.

(3) That the applicant is hereby authorized, as an exception to Rule 307 of the Commission Rules and Regulations, to utilize a vacuum-type drilling unit during the drilling and completion of each of the oil wells authorized by Order No. (1) of this order.

(4) That the applicant is hereby authorized to produce each of the wells authorized by this order at maximum capacity until further order of the Commission.

(5) 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/