

Entered October 16, 1972
RHP

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
THE OIL CONSERVATION COMMISSION OF
NEW MEXICO ON ITS OWN MOTION AND
ON THE MOTION OF HANAGAN PETROLEUM
CORPORATION FOR THE ABOLISHMENT AND
EXTENSION OF CERTAIN POOLS IN EDDY
COUNTY, NEW MEXICO.

CASE NO. 4838
Order No. R-4421

NOMENCLATURE

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 4, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 16th day of October, 1972, 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-3080, effective July 1, 1966, the Golden Eagle-Morrow Gas Pool, comprising all of Section 11, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico, was created; that no special rules were ever promulgated for said pool.
- (3) That by Order No. R-4042, dated October 14, 1970, the Avalon Middle-Morrow Gas Pool comprising all of Section 1, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico, was created and temporary special rules and regulations were promulgated therefor including a provision for 640-acre spacing units.
- (4) That by Order No. R-4157, dated June 21, 1971, the Catclaw Draw-Morrow Gas Pool, comprising all of Section 26, Township 21 South, Range 25 East, NMPM, Eddy County, New Mexico, was created and temporary special rules and regulations were promulgated therefor including a provision for 640-acre spacing units; that said pool has been extended from time to time by order of the Commission.
- (5) That the wells in the three above-described pools are all producing from the same common source of supply.

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(6) That there are wells in the immediate area of the above-described pools that are also producing from the same common source of supply.

(7) That the Golden Eagle-Morrow and Avalon Middle-Morrow Gas Pools should be abolished and the Catclaw Draw-Morrow Gas Pool should be extended to include, among other lands, the lands presently included in the Golden Eagle-Morrow and Avalon Middle-Morrow Gas Pools.

(8) That the above-described abolishments and extension will prevent the drilling of unnecessary wells, will avoid the augmentation of risk arising from the drilling of an excessive number of wells, will prevent reduced recovery which might result from the drilling of too few wells, will afford each owner of interests in the subject pools the opportunity to produce their equitable share of the gas in the pools, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the Golden Eagle-Morrow Gas Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
Section 11: All

is hereby abolished.

(2) That the Avalon Middle-Morrow Gas Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
Section 1: All

is hereby abolished.

(3) That the Catclaw Draw-Morrow Gas Pool in Eddy County, New Mexico, as heretofore classified, defined, and described, is hereby extended to include therein:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM
Section 1: All
Section 11 through 14: All
Section 25: All
Section 36: All

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 18: All

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IT IS FURTHER ORDERED:

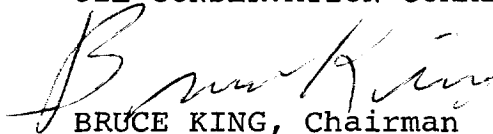
(1) That, pursuant to Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, any well which, by virtue of any of the above pool extensions, is subject to pool rules providing for spacing or proration units larger than the one which is presently dedicated thereto, shall have 60 days from the effective date of this order in which to file new Forms C-102 dedicating a standard unit for the pool to said well, or to obtain a non-standard unit approved by the Commission. Pending such compliance, the well shall receive a maximum allowable in the same proportion to a standard allowable for the pool that the acreage dedicated to the well bears to a standard unit for the pool. Failure to file Forms C-102 dedicating a standard unit to the well or to obtain a non-standard unit approved by the Commission within said 60-day period shall subject the well to cancellation of allowable.

(2) That the effective date of this order and all abolishments and extensions and horizontal limits included herein shall be November 1, 1972.

(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


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

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