

Entered November 14, 1978
JDR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 6361
Order No. R-5850

APPLICATION OF CONTINENTAL OIL
COMPANY FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 25, 1978, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of November, 1978, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Continental Oil Company, is the owner and operator of a certain gas well in the Buffalo-Pennsylvanian Gas Pool, Lea County, New Mexico.

(3) That said Buffalo-Pennsylvanian Gas Pool was created and designated by the Division by Order No. R-1559, effective December 18, 1959.

(4) That by Division Order No. R-2707, dated May 25, 1964, Rule 104 of the Division Rules and Regulations was amended to provide that all gas pools of Pennsylvanian age or older in Southeast New Mexico which were created and defined June 1, 1964, or later shall have 320-acre spacing and proration units, inasmuch as it was found that in Southeast New Mexico,... "a gas well completed in the Pennsylvanian formation or a deeper formation will efficiently and economically drain and develop a 320-acre tract."

(5) That the applicant in the instant case seeks the promulgation of rules including a provision for 320-acre spacing for the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, inasmuch as that pool was excluded from the provisions of Order No. R-2707, because it was created and defined prior to the cut-off date of June 1, 1964.

(6) That no appearances were made at the hearing of the instant case, and no objection was received to the inclusion of the Buffalo-Pennsylvanian Gas Pool under the provisions of Rule 104 of the Division Rules and Regulations for gas pools of Pennsylvanian age or older.

(7) That one well in the Buffalo-Pennsylvanian Gas Pool in Lea County, New Mexico, will efficiently and economically drain and develop 320 acres, and the inclusion of said pool under the 320-acre provisions of Rule 104 for pools of Pennsylvanian age or older will not cause waste nor violate correlative rights, and should be approved.

IT IS THEREFORE ORDERED:

(1) That effective November 1, 1978, each well completed or recompleted in the Buffalo-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof shall be subject to the provisions of Rule 104 of the Division Rules and Regulations notwithstanding the fact said pool was created and defined prior to June 1, 1964.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the Buffalo-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile thereof are hereby approved; that the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well by December 1, 1978.

(2) That pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, existing wells in the Buffalo-Pennsylvanian Gas Pool shall have dedicated thereto 320 acres in accordance with Rule 104 of the Division Rules and Regulations; or pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard units dedicated thereto.

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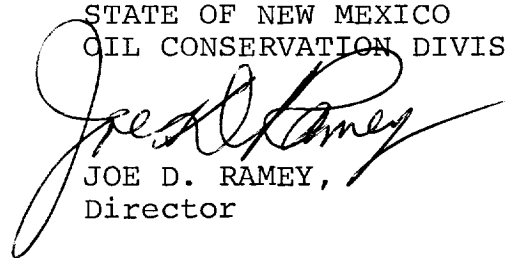
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Failure to file new Forms C-102 with the Division dedicating 320 acres to a well or to obtain a non-standard unit approved by the Division within 60 days from the effective date of this order shall subject the well to cancellation of allowable.

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

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Joe D. Ramey", is written over the typed name and title.

JOE D. RAMEY,
Director

S E A L

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