

Entered October 20, 1980  
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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. 7023  
Order No. R-6489

APPLICATION OF SHELL OIL COMPANY  
FOR POOL CREATION AND SPECIAL POOL  
RULES, ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on October 1, 1980, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 20th day of October, 1980, 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 a new oil pool for Pennsylvanian production should be created and designated the Stingray-Pennsylvanian Pool. This pool was discovered by the Shell Oil Company Askew Well No. 1, located in Unit L, Section 2, Township 5 South, Range 32 East, NMPM, Roosevelt County, New Mexico. The top of the perforations is at 7733 feet.

(3) That Shell Oil Company seeks the promulgation of temporary special rules and regulations for the Stingray-Pennsylvanian Pool to provide for 80-acre proration units and well location requirements.

(4) That the evidence presented concerning the reservoir characteristics of the Stingray-Pennsylvanian Pool justifies the establishment of 80-acre proration units in said pool for a temporary one year period.

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(5) That the evidence presently available establishes that the Stingray-Pennsylvanian Pool may be efficiently and economically drained on 80-acre proration units.

(6) That the evidence establishes that the subject pool should be developed with fixed well location requirements in order to protect correlative rights.

(7) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool.

(8) That this case should be reopened at an examiner hearing in October, 1981, at which time the operators in the subject pool should appear and show by a preponderance of the evidence why the Stingray-Pennsylvanian Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Roosevelt County, New Mexico, classified as an oil pool for Pennsylvanian production is hereby created and designated as the Stingray-Pennsylvanian Pool consisting of the following-described area:

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM  
Section 2: SW/4

(2) That special rules and regulations for the Stingray-Pennsylvanian Pool are hereby promulgated as follows, effective October 1, 1980.

SPECIAL RULES AND REGULATIONS  
FOR THE  
STINGRAY-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Stingray-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Stingray-Pennsylvanian Pool, and not nearer to or within the limits of another designated Pennsylvanian pool shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Stingray-Pennsylvanian Pool shall be located on a unit containing 80 acres, more or less, which consists of the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as

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prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Director may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the Stingray-Pennsylvanian Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 4. Each well drilled in the Stingray-Pennsylvanian Pool shall be located within 150 feet of the center of a governmental quarter-quarter section.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the Stingray-Pennsylvanian Pool shall be assigned an 80-acre depth bracket allowable of 267 barrels per day and 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.

(3) That this case shall be reopened at an examiner hearing in October, 1981, at which time the operators in the subject pool may appear and show cause why the Stingray-Pennsylvanian Pool should not be developed on 40-acre proration units.

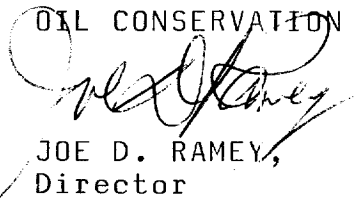
(4) That any operator desiring to dedicate 80 acres to a well in the Stingray-Pennsylvanian Pool shall file a new Form C-102 with the Division on or before November 1, 1980.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY,  
Director

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