

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. 2554
Order No. R-2253

APPLICATION OF T. F. HODGE FOR
THE CREATION OF A NEW OIL POOL
AND FOR THE ESTABLISHMENT OF
TEMPORARY RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 10, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner, duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

Now, on this 7th day of June, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 a new oil pool for Pennsylvanian production should be created and designated the South Lane-Pennsylvanian Pool. This pool was discovered March 26, 1962, by the T. F. Hodge Humble-State well No. 1, located in Unit N of Section 26, Township 10 South, Range 33 East, NMPM, Lea County, New Mexico. The top of the perforations is at 9667 feet.
- (3) That T. F. Hodge seeks the promulgation of temporary special rules and regulations for the South Lane-Pennsylvanian Pool, to provide for 80-acre proration units.
- (4) That the evidence presented concerning the reservoir characteristics of the South Lane-Pennsylvanian Pool justifies the establishment of 80-acre proration units in said pool for a temporary one-year period.
- (5) That the information presently available and presented as evidence indicates that the South Lane-Pennsylvanian Pool can be efficiently and economically drained on 80-acre proration units.

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(6) 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.

(7) That this case should be reopened at an examiner hearing in June, 1963, at which time the operators in the subject pool should be prepared to appear and show cause why the South Lane-Pennsylvanian Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

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

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4

(2) That special rules and regulations for the South Lane-Pennsylvanian Pool are hereby promulgated as follows, effective July 1, 1962.

SPECIAL RULES AND REGULATIONS FOR THE
SOUTH LANE-PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the South Lane-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the South Lane-Pennsylvanian Pool, and not nearer to nor 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 South Lane-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 prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. For good cause shown, the Secretary-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 Secretary-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.

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

RULE 4. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either quarter-quarter section or lot in the 80-acre unit. Any subsequent additional well on the 80-acre unit shall be located within 150 feet of the center of the other quarter-quarter section or lot in the unit.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the South Lane-Pennsylvanian Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, 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 June, 1963, at which time the operators in the subject pool may appear and show cause why the South Lane-Pennsylvanian Pool should not be developed on 40-acre proration units.

(4) 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



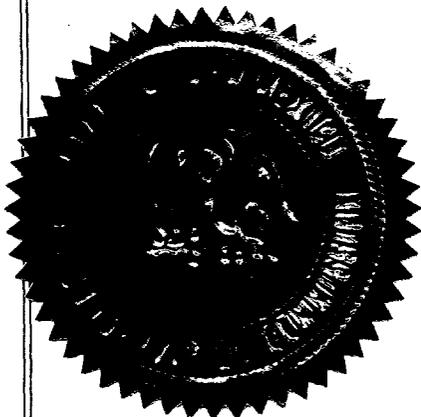
EDWIN L. MCHEM, Chairman



E. S. WALKER, Member



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



esr/

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OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
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APPLICATION OF T. F. HODGE FOR
THE CREATION OF A NEW OIL POOL
AND FOR THE ESTABLISHMENT OF
TEMPORARY RULES, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 5, 1963, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 17th day of June, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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-2253 entered in this case on June 7, 1962, temporary special rules and regulations were promulgated for the South Lane-Pennsylvanian Pool.

(3) That pursuant to Order No. R-2253, this case was reopened to allow the operators in the subject pool to appear and show cause why the South Lane-Pennsylvanian Pool should not be developed on 40-acre proration units.

(4) That the evidence presented at this hearing concerning the reservoir characteristics of the South Lane-Pennsylvanian Pool establishes that one well in said pool can efficiently and economically drain and develop 80 acres.

(5) That to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk

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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-2253 should be continued in effect until further order of the Commission.

(6) That the special rules and regulations promulgated by Order No. R-2253 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.

IT IS THEREFORE ORDERED:

(1) That the temporary special rules and regulations promulgated for the South Lane-Pennsylvanian Pool by Order No. R-2253 entered in this case on June 7, 1962, are hereby continued in effect until further order of the Commission.

(2) 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


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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



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