

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. 5400  
Order No. R-4956

APPLICATION OF TWINLAKES OIL COMPANY  
FOR AMENDMENT OF SPECIAL POOL RULES,  
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 8, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 28th day of January, 1975, 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, Twinlakes Oil Company and its successor Stevens Oil Company, seeks amendment to the special rules and regulations for the Twin Lakes-San Andres Pool, Chaves County, New Mexico, to permit the drilling of oil wells on gas proration units and the simultaneous dedication of acreage to oil and gas wells.

(3) That there is a single gas well completed in said pool being applicant's State CH Well No. 1 in Unit L of Section 36, Township 8 South, Range 28 East, NMPM.

(4) That a non-standard gas spacing and proration unit consisting of the W/2 W/2 of said Section 36 is dedicated to said well.

(5) That the evidence presented indicates that at least a portion of the existing gas unit is potentially productive of oil.

(6) That the evidence presented indicates that the oil which may underlay the gas proration unit cannot be efficiently and economically drained by existing wells in the pool.

-2-

CASE NO. 5400  
Order No. R-4956

(7) That the evidence presented indicates that the W/2 W/2 of said Section has been communitized for the production of both gas and oil.

(8) That the applicant wishes to dedicate the entire W/2 W/2 of said Section 36 to the existing gas well and to a proposed oil well to be drilled in the SW/4 NW/4 of said Section 36.

(9) That the applicant proposes to limit the production from the oil well, should it be productive, to an amount equal to the top unit allowable and casinghead gas allowable for an oil well on a 40-acre tract in the Twin Lakes-San Andres Pool.

(10) That the operator proposes to limit the gas allowable to the existing gas well on said 160-acre tract, should an oil well be completed as in Finding (9) above, by applying an acreage factor of 0.750 for allowable purposes.

(11) That no interest owner appeared and objected to the proposed simultaneous dedication or allowable procedures.

(12) That approval of the application will not cause waste nor violate corrlative rights.

(13) That the application for simultaneous dedication and allowable limitations should be approved.

(14) That additional oil wells should be permitted to be drilled by the operator to test for oil under other quarter-quarter sections in said gas proration unit.

(15) That such wells should be permitted and, should they be completed, be allowed to produce in accordance with Finding (9) above provided that for each such 40-acre tract found to be productive of oil, the acreage factor of the producing gas well should be reduced by subtracting 0.250 from said acreage factor.

(16) That there is only one gas proration unit in the Twin Lakes-San Andres Pool.

(17) That the Special Rules and Regulations for the Twin Lakes-San Andres Pool do not require amendment to grant the applicant the relief sought.

(18) That the application for amendment of said Special Rules and Regulations should be denied.

CASE NO. 5400  
Order No. R-4956

IT IS THEREFORE ORDERED:

(1) That the applicant, Twinlakes Oil Company, is hereby authorized to drill and complete oil wells on an existing gas proration unit consisting of the W/2 W/2 of Section 36, Township 8 South, Range 28 East, NMPM, Twin Lakes-San Andres Pool, Chaves County, New Mexico.

PROVIDED HOWEVER, that the allowable for a 40-acre tract in the W/2 W/2 of said Section 36 on which an oil well is completed shall be no more than the top unit allowable and casinghead gas allowable for an oil well in the Twin Lakes-San Andres Pool.

PROVIDED FURTHER, that with the assignment of an oil allowable to any well drilled and completed in accordance with Order (1) of this order, the gas allowable to the existing gas well on said proration unit shall be reduced by reducing said well's acreage factor by subtracting therefrom the figure 0.250.

PROVIDED FURTHER, that no oil well shall be drilled on the same 40-acre tract with the existing gas well.

IT IS FURTHER ORDERED:

(1) That the application for amendment of the Special Rules and Regulations for the Twin Lakes-San Andres Pool is hereby denied.

(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

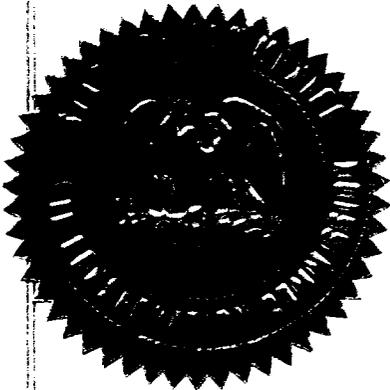
I. R. TRUJILLO, Chairman



PHIL R. LUCERO, Member



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



s e a l

jr/

