

Case Number

4728

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
June 27, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Texaco, Inc. for
special pool rules, Lea County,
New Mexico.

CASE NO. 4728

BEFORE: Elvis A. Utz
Examiner

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 4728

2 MR. HATCH: Application of Texaco, Inc. for
3 special pool rules, Lea County, New Mexico.

4 MR. KELLY: Booker Kelly, of White, Koch, Kelly
5 and McCarthy of Santa Fe, appearing on behalf of the
6 Applicant. I have one witness that I ask be sworn.

7 MR. UTZ: Are there any other appearances in this
8 Case?

9 (No response.)

10 * * * * *

11 CURTIS COOK,

12 was called as a witness and, after being duly sworn, testified
13 as follows:

14 DIRECT EXAMINATION

15 BY MR. KELLY:

16 Q Would you please state your name, position, and employer?

17 A Curtis Cook, District Production Engineer for Texaco
18 in Hobbs.

19 Q Have you previously qualified as an expert witness before
20 the Commission?

21 A Yes, I have.

22 Q Would you state briefly, referring to your plat, Exhibit
23 Number 1, what Texaco seeks by this Application?

24 A Texaco seeks to establish field rules for the East Weir-
25 Tubb Pool, Lea County, New Mexico, including provisions

1 for 80 acre proration units and a limiting gas-oil
2 ratio limitation of 4000 cubic feet of gas per barrel of
3 oil.

4 Q What is the status of the proposed pool at this time?

5 A The pool now is on statewide rules of 40 acres and a
6 2000 to 1 GOR. The Monument pool was discovered, I
7 believe in 1959 and has produced to date under established
8 field rules.

9 In 1964, via a Continental Hearing, the Weir-Tubb
10 which wells are circled in red, was discovered. In 1964
11 Texaco drilled its Number 9 well under statewide rules,
12 in fact, it was drilled on 80 acres.

13 Q So the only difference as it stands now between the two
14 pools is there are actually 40 acre proration units in
15 your proposed pool and the 2000 versus 4000 GOR?

16 A Correct.

17 The pools are separated only by 40 acre proration
18 units down the side of Section 11, adjacent to the pool
19 sitting right next to each other.

20 Q Exhibit 2 is a cross-section, would you explain its
21 significance?

22 A Exhibit 2 is a cross-section indicated by the green
23 line on Exhibit 1 that runs through the Monument and
24 Weir-Tubb pools and you can see that in the Tubb section
25 the rock development is very similar and the structural

1 positions don't vary and this would indicate that either
2 they are in the same reservoir or in a very similar
3 reservoir; it is my opinion that it is the same reservoir.

4 They are located very close together separated only
5 by 40 acre proration units. The rock development is
6 similar.

7 MR. UTZ: Are you suggesting we combine these
8 pools?

9 THE WITNESS: No, sir, I just want pool rules
10 similar which would accomplish the same thing.

11 Q (By Mr. Kelly) Actually, if you had a different
12 development pattern, you would have the same pool?

13 A Correct. If we had moved toward the Weir pool, we
14 probably would have been incorporated in the Monument
15 pool.

16 Q Are you familiar with Case Number 3123, the Continental
17 Oil Company application which set up pool rules for the
18 Monument-Tubb pool?

19 A Yes, I am.

20 Q Do you agree that provisions for 80 acre proration
21 units and a limiting gas-oil ratio of 4000 cubic feet
22 of gas per barrel of oil would not adversely affect the
23 reservoir?

24 A Yes, sir. The pressure data that is shown, shows that
25 subsequent wells experienced less reservoir pressure after

1 being completed --

2 MR. UTZ: What was that case number?

3 THE WITNESS: Case Number 3123, back in 1964.

4 MR. KELLY: We ask the Examiner to take
5 administrative notice of the testimony in that case.

6 Q (By Mr. Kelly) Then I take it that it is your opinion
7 that the Weir-Tubb is either the same or a similar
8 pool?

9 A That is correct and we are asking for rules equal to
10 those in the Monument pool so that we do not suffer
11 drainage.

12 Q In your opinion, if you did have different spacing
13 and the GOR was lower, would it adversely affect your
14 correlative right?

15 A Yes.

16 Q Are there any other operators besides Texaco?

17 A Yes, Continental operates one well.

18 Q I believe they only have 40 acres?

19 A Yes.

20 Q Have you taken care of them in your proposed rules?

21 A Yes, rule 3 of the proposed field rules for the
22 Weir-Tubb pool sets up an administrative procedure
23 whereby they can obtain a 40 acre proration unit.

24 Q Now, Exhibit 3 are your proposed rules; is that correct?

25 A That is correct.

1 Q Are they, in all respects, identical with the Monument-
2 Tubb rules?

3 A Yes, sir.

4 Q If your Application is granted, you will be producing
5 more gas, have you arranged for purchasers for that
6 gas?

7 A Yes. Oil production will increase and casinghead gas
8 production will increase and attached are two letters
9 from the purchaser indicating that they will be able
10 to handle the increase in casinghead gas.

11 Q Those are Exhibits 4 and 5?

12 A That is correct.

13 Q In your opinion, would the granting of this Application
14 protect correlative rights of all the operators concerned
15 and prevent waste and allow you to effectively drain
16 this pool?

17 A Yes, sir.

18 Q Were Exhibits 1 through 3 prepared by you or under your
19 supervision?

20 A Yes.

21 Q And Exhibits 4 and 5 are exact copies of letters received
22 from purchasers?

23 A Yes, sir. I have the originals, if you want them,
24 Mr. Examiner.

25 MR. KELLY: At this time I move for the introduction

1 of Texaco Exhibits 1 through 5.

2 MR. UTZ: Without objection, Exhibits 1 through 5
3 will be entered into the record of this Case.

4 (Whereupon, Texaco Exhibits 1 through 5
5 were admitted in evidence.)

6 MR. KELLY: That concludes our Direct Examination.

7 * * * * *

8 CROSS-EXAMINATION

9 BY MR. UTZ:

10 Q Who are your purchasers?

11 A Phillips and Warren. Continental's wells will be
12 unaffected so they will not experience an increase in
13 cashinghead gas. There is no question of handling the
14 oil, but there is some question about gas in southeast
15 New Mexico, but there will be no question here.

16 Q How many wells are there in the Weir-Tubb pool?

17 A Sixty-five Texaco wells and the Continental well.

18 Q Which wells are those?

19 A The ones circled in red.

20 Q On Exhibit 1?

21 A Yes, sir. The other wells not circled in either red
22 or blue are those wells which do not penetrate the
23 Weir-Tubb zone. There are other wells in the area, but
24 they do not penetrate the Tubb zone. There are Drinkard
25 wells up at the top.

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87103

1 Q Why haven't you considered commingling these two pools?

2 A That would be all right, but I felt this was the
3 simplest approach, to have the same rules governing
4 both pools. It would be relatively easy if we commingled
5 them and the net effect would be the same, assuming, we
6 went by the Monument pool rules.

7 Q You are suggesting Monument pool rules for this pool?

8 A Yes, so the net effect would be the same.

9 Q And as far as your proof as to one well being able to
10 drain 80 acres, is your request that we lean on Case
11 3121 for that evidence?

12 A Yes. The rock characteristics as far as we can tell
13 are the same and they establish very clearly that one
14 well could drain 80 acres.

15 Q Have there been any dry holes drilled in the so-called
16 no-man's land between these two pools?

17 A No, we don't have any wellbores penetrating. Texaco
18 does have a wellbore penetrating in the north part of
19 Section 11 into the Weir which could possibly be
20 recompleted to the Weir at a later date.

21 MR. UTZ: Any further question?

22 * * * * *

23 REDIRECT EXAMINATION

24 BY MR. KELLY:

25 Q With the separation and the cross-section, it would be

1 highly unlikely that there could be any geology that
2 could separate these two pools; is that correct?

3 A That is correct. It is possible, of course, but we have
4 good control up to 40 acre units and the possibility of
5 some barrier in there is remote.

6 MR. UTZ: You didn't request that in your
7 Application, though?

8 THE WITNESS: I'm sorry?

9 MR. UTZ: I say, you didn't request commingling the
10 pools in your Application?

11 THE WITNESS: No, sir, I could have requested that,
12 but I felt if we got the same rules, the end result would be
13 the same.

14 MR. UTZ: Did you by any chance talk to our
15 District Office in Hobbs about this?

16 THE WITNESS: No, sir.

17 MR. UTZ: Any other questions?

18 (No response.)

19 MR. UTZ: The witness may be excused.

20 (Witness excused.)

21 MR. UTZ: Any statements in this Case?

22 (No response.)

23 MR. UTZ: The case will be taken under advisement.
24
25

dearnley, meier & mc cormick

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1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)
4 I, RICHARD E. MCCORMICK, a Certified Shorthand Reporter,
5 in and for the County of Bernalillo, State of New Mexico,
6 do hereby certify that the foregoing and attached Transcript
7 of Hearing before the New Mexico Oil Conservation Commission
8 was reported by me; and that the same is a true and correct
9 record of the said proceedings to the best of my knowledge,
10 skill and ability.

11 *Richard E. McCormick*
12 CERTIFIED SHORTHAND REPORTER
13
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22 I do hereby certify that the foregoing is
23 a true and correct record of the proceedings in
24 the hearing of Case No. 4228
25 held by me on June 28 1972.
Richard E. McCormick, Reporter
New Mexico Oil Conservation Commission

I N D E XWITNESS:PAGECURTIS COOK

Direct Examination by Mr. Kelly

3

Cross-Examination by Mr. Utz

8

Redirect Examination by Mr. Kelly

9

E X H I B I T SAPPLICANT'SOFFEREDADMITTED

Texaco, Inc.

Exhibit Number 1

3

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Exhibit Number 2

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Exhibit Number 3

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Exhibit Number 4

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Exhibit Number 5

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dearnley, meier & mc cormick

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
June 7, 1972

EXAMINER HEARING

IN THE MATTER OF:)
The Application of Texaco, Inc., for)
special pool rules, Lea County, New)
Mexico.)

CASE NO. 4728

BEFORE: Daniel Nutter
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick (RECORDING SERVICE)

209 SIMMS BLDG. P.O. BOX 1092 PHONE 243-6691 ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST ALBUQUERQUE, NEW MEXICO 87105

1 MR. NUTTER: Call Case Number 4728.
2
3 MR. HATCH: Application of Texaco, Inc., for
4 special pool rules, Lea County, New Mexico.
5
6 MR. NUTTER: The Commission has received a request
7 from the Applicant that the Case be continued to June 28,
8 1972.
9
10 Case Number 4728 will be scheduled to be heard
11 this same place at 9:00 A.M., June 28, 1972.
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dearnley, meier & mc cormick

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1216 FIRST NATIONAL BANK BLDG. EAST • ALBUQUERQUE, NEW MEXICO 87108

1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)

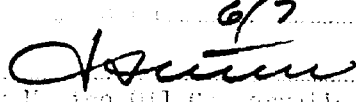
4 I, ROSALIE E. CLAUSSEN, a Shorthand Reporter, in and for
5 the County of Bernalillo, State of New Mexico, do hereby
6 certify;

7 That the foregoing and attached transcript of Hearing
8 before the New Mexico Oil Conservation Commission was reported
9 by me;

10 That the same is a true and correct record of the said
11 proceedings to the best of my knowledge, skill and ability.

12 
13 ROSALIE E. CLAUSSEN

14 Dated at Albuquerque, New Mexico,
15 this 31st day of July 1972.

22 6/7 9728
23 72
24 
25 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

**GOVERNOR
BRUCE KING
CHAIRMAN**

**LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER**

**STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

July 10, 1972

Mr. Booker Kelly
White, Koch, Kelly & McCarthy
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

Re: Case No. 4728
Order No. R-4331
Applicant:

Texaco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
Artesia OCC _____
Aztec OCC _____

Other _____

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. 4728
Order No. R-4331

APPLICATION OF TEXACO INC.
FOR SPECIAL POOL RULES, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 28, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 7th day of July, 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 the applicant, Texaco Inc., seeks the promulgation
of special rules and regulations for the East Weir-Tubb Pool,
Lea County, New Mexico, including a provision for 80-acre
spacing and proration units and a limiting gas-oil ratio limita-
tion of 4,000 cubic feet of gas per barrel of oil.

(3) That in order to prevent the economic loss caused by
the drilling of unnecessary wells, to avoid the augmentation
of risk 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, special rules and regulations pro-
viding for 80-acre spacing units should be promulgated for the
East Weir-Tubb Pool.

(4) That in order to allow each operator in the pool the
opportunity to use his just and equitable share of the reser-
voir energy, the special rules and regulations should provide
for a limiting gas-oil ratio of 4,000 to 1.

(5) That the special rules and regulations should provide
for limited well locations in order to assure orderly develop-
ment of the pool and protect correlative rights.

-2-
CASE NO. 4728
Order No. R-4331

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the East Weir-Tubb Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
EAST WEIR-TUBB POOL

RULE 1. Each well completed or recompleted in the East Weir-Tubb Pool or in the Tubb formation within one mile thereof, and not nearer to or within the limits of another designated Tubb oil pool, shall be spaced, drilled, operated, and produced in accordance with the special rules and regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a 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. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. 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 upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 330 feet to any governmental quarter-quarter section or lot line.

RULE 5. The Secretary-Director may grant an exception to the footage requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed location 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 upon receipt of written waivers from all operators offsetting

-3-

CASE NO. 4728
Order No. R-4331

the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.77 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.

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

RULE 7. The limiting gas-oil ratio shall be 4,000 cubic feet of gas for each barrel of oil produced.

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the East Weir-Tubb Pool or in the Tubb 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 Commission in writing of the name and location of the well on or before August 1, 1972.

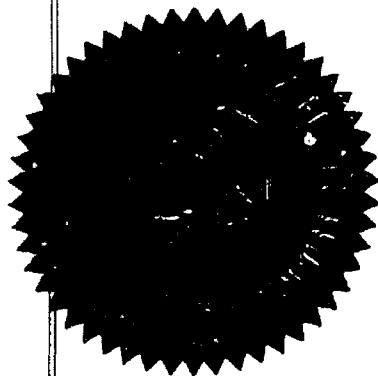
(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the East Weir-Tubb Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Failure to file new Forms C-102 with the Commission dedicating 80 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the East Weir-Tubb Pool or in the Tubb formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

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

-4-
CASE NO. 4728
Order No. R-4331

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

4728

Leard 6-28-72

Dec. 6-30-72

Grant. Texaco's request for
special pool rules for E. Weir
- Dubb. oil pool.

Use. Monument - Dubb rules
in their entirety.

Thos O. H. B.

(Case 4741 continued)

Said acreage to be dedicated to a well to be drilled 1980 feet from the North line and 660 feet from the West line of said Section 16. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4728: (Continued from the June 7, 1972, Examiner Hearing)
Application of Texaco Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Weir-Tubb Pool, Lea County, New Mexico, including provisions for 80-acre proration units and a limiting gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil.

CASE 4742: Application of Tenneco Oil Company for dual completions, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Well No. 12 located in Unit B of Section 13, Township 17 North, Range 9 West, McKinley County, New Mexico, in such a manner as to inject gas into Lone Pine-Dakota "D" Oil Pool through tubing and produce gas from the "A" zone of the Dakota formation through the casing-tubing annulus. Applicant also seeks authority to complete its Well No. 13 located in Unit F of said Section 13 in such a manner as to produce oil from the Lone Pine-Dakota "D" Oil Pool through tubing and gas from the "A" zone of the Dakota formation through the casing-tubing annulus.

CASE 4743: Application of Tenneco Oil Company for pool contraction, redefinition of a pool and special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to contract the horizontal limits of the Basin-Dakota Pool by deleting therefrom all of Section 17 and 20, Township 21 North, Range 8 West, San Juan County, New Mexico. Applicant further seeks to redefine the Snake Eyes-Dakota "D" Oil Pool as a gas pool with horizontal limits comprising the above-described Sections 17 and 20. Applicant further seeks the promulgation of special pool rules for the redefined pool including a provision for 320-acre spacing.

CASE 4744: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 8, Township 19 South, Range 25 East, Eddy County, New Mexico. Said acreage to be dedicated to applicant's Johnston "BE" Well No. 1 located 330 feet from the North and East lines of said Section 8. Also to be considered will be the costs

Docket No. 14-72

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 28, 1972

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4735: (Continued and readvertised from the June 7th examiner hearing)
Application of El Paso Natural Gas Company for capacity production, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 14 (A), 15 (A), and 15 (B), of the General Rules and Regulations for the prorated gas pools of Northwest New Mexico, to produce six wells located in Sections 29, 30, 31, and 32 of Township 32 North, Range 9 West and Section 36, Township 32 North, Range 10 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity for approximately one year from February 1, 1972.

Applicant further seeks authority to offset any over-production accrued to the above-described six wells during the one-year period by underproduction attributable to any underproduced wells or marginal wells located within the participating area of the San Juan 32-9 Unit.

CASE 4739: Application of Texas Pacific Oil Company for rededication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dedicate the 160-acre non-standard gas proration unit in the Jalmat Gas Pool comprising the NW/4 of Section 1, Township 23 South, Range 36 East, Lea County, New Mexico, simultaneously to its Emery King "NW" Wells Nos. 1 and 4 located, respectively, in Units E and F of said Section 1 and to produce the allowable for the unit from either well in any proportion.

CASE 4740: Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas and condensate production from the Flora Vista-Gallup and Basin-Dakota Pools in the wellbores of its L. C. Kelly Wells Nos. 3 and 5 located, respectively, in Unit F of Section 4 and Unit I of Section 3, Township 30 North, Range 12 West, San Juan County, New Mexico.

CASE 4741: Application of Robert, Koch & Cartwright for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 16, Township 19 South, Range 25 East, Eddy County, New Mexico.

- CASE 4748: Application of Pubco Petroleum Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Humble City-Strawn Pool, Lea County, New Mexico, including provisions for 160-acre proration units and wells to be located within 150 feet of the center of any quarter-quarter section.
- CASE 4749: Application of Harding Oil Company for a discovery allowable and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Humble City-Strawn Pool, Lea County, New Mexico, including a provision for 80-acre proration units and for the assignment of an oil discovery allowable to its E. D. Shipp Well No. 1 located in Unit K of Section 11, Township 17 South, Range 37 East.
- CASE 4750: Application of Cities Service Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing well in its Southeast Maljamar Grayburg-San Andres Unit Waterflood Project Area at an unorthodox location 1155 feet from the South line and 1385 feet from the East line of Section 29, Township 17 South, Range 33 East, Maljamar Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby additional injection and production wells within the project area at unorthodox locations may be approved administratively.
- CASE 4751: Application of Sun Oil Company for pool extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the horizontal limits of the Lusk-Morrow Gas Pool, Lea County, New Mexico to include all of Sections 15 and 16 of Township 19 South, Range 32 East.
- CASE 4752: Application of Claude C. Kennedy for permission to flare casinghead gas, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-4070, to flare casinghead gas produced by his BSK Edna Well No. 1 located in Unit F of Section 8, Township 17 North, Range 8 West, Lone Pine Dakota "D" Pool, McKinley County, New Mexico.

(Case 4744 continued)

of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4745: Application of Yates Petroleum Corporation for pool re-definition and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the re-definition of the Penasco Draw San Andres-Yeso Pool, Eddy County, New Mexico, as an associated oil and gas pool. Applicant further seeks the promulgation of special rules for said associated pool, including provisions defining a gas well as one producing with a gas-liquid ratio of 10,000 or more cubic feet of gas per barrel of oil, a gas-liquid ratio limitation for oil wells of 3,000 cubic feet of gas per barrel of oil, and 320-acre spacing units for gas wells. Applicant further seeks authority to commingle on the surface gas production from various wells prior to metering and to report said gas production on a lease basis. Applicant further seeks authority to commingle on the surface all casinghead gas prior to metering and to allocate said casinghead gas to the various wells on the basis of gas-oil ratio tests.

CASE 4746: Application of Mobil Oil Corporation for an unorthodox well location and amendment of Order No. R-2914, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a producing well at an unorthodox location 1450 feet from the North line and 70 feet from the West line of Section 19, Township 18 South, Range 34 East, in the E-K Queen Waterflood Project Area authorized by Order No. R-2914. Applicant further seeks a procedure whereby additional production and injection wells at orthodox and unorthodox locations may be approved administratively.

CASE 4747: Application of Union Texas Petroleum, a Division of Allied Chemical Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the base of the Devonian formation underlying the N/2 of Section 33, Township 25 South, Range 37 East, Crosby Field, Lea County, New Mexico. Said acreage to be dedicated to its well to be located 1650 feet from the North line and 2310 feet from the East line of said Section 33. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.



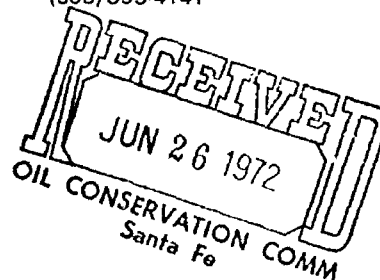
L. P. Thompson
Division Manager
Production Department
Hobbs Division

Western Hemisphere Petroleum Division
Continental Oil Company
P. O. 460
1001 North Turner
Hobbs, New Mexico 88240
(505) 393-4141

June 22, 1972

New Mexico Oil Conservation Commission (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention Mr. A. L. Porter, Jr.
Secretary Director



Gentlemen:

Case No. 4728 - June 28, 1972, Examiner Docket

Continental Oil Company is aware of the application of Texaco, Inc., for special pool rules for the East Weir-Tubb Pool including provisions for 80-acre proration units and increased gas oil ratio limit to 4,000 cubic feet per barrel.

Continental Oil Company operates, on behalf of the New Mexico Federal Unit, one well in the pool which is the subject of Case No. 4728. Our SEMU Tubb Well No. 83 is located in Unit G of Section 13, Township 20 South, Range 37 East. This well is located at the edge of the Southeast Monument Unit and its present 40-acre proration unit consisting of the SW/4 NE/4 of Section 13, is the only acreage available on this lease consistent with standard 80-acre proration units. The well is a limited capacity well, producing an average of only three barrels oil and 68 MCFG/D during 1971. Obviously, the proposed pool rules will have no effect on the producing rate of this well. It is also obvious that the working interest owners in this well would have no desire to communitize with other lands to form an 80-acre proration unit and it is equally obvious that no other operator would wish to communitize his land to share in the production from our well.

While Continental Oil Company has no objection to amending the rules to permit other operators to produce larger volumes of oil and/or gas, we would object to any necessity for our having to have a hearing in order to secure exception to the proposed pool rules.

Continental Oil Company, therefore, respectfully requests that the pool rules, if granted, provide for exceptions for our well and any other wells which might be inconvenienced in a similar manner by the change in rules.

Yours very truly,

rw

New Mexico Oil Conservation Commission
Page 2
June 22, 1972

Copies to:
E. O. Price
Chevron Oil Company
P. O. Box 1660
Midland, Texas 79701

Alex Clarke, Jr.
Amoco Production Company
P. O. Box 3092
Houston, Texas 77001

A. D. Kloxin
Atlantic Richfield Company
P. O. Box 1978
Roswell, New Mexico 88201

V. E. Staley
Amoco Production Company
P. O. Box 68
Hobbs, New Mexico 88240

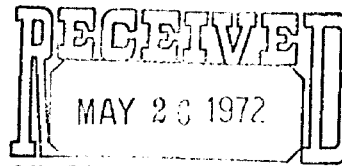
Texaco, Inc.
P. O. Box 728
Hobbs, New Mexico 88240

RLA



PETROLEUM PRODUCTS

May 24, 1972



OIL CONSERVATION COMM.

Santa Fe DRAWER 728
HOBBS, NEW MEXICO 88240

Handwritten signature/initials

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 88240

Re: Examiner Hearing - Case 4728
Special Pool Rules
East Weir-Tubb Pool
Lea County, New Mexico

Handwritten circle around 'Case 4728'

Attention: Mr. A. L. Porter, Jr.

Handwritten 'file' with arrow pointing to the subject line

Gentlemen:

It is requested that TEXACO's application for field rules for the Weir-Tubb, East Pool, Case 4728, be continued to the Examiner Hearing on June 28, 1972. Our original request was for the June 21, 1972 hearing but we have been advised that the hearing date has been changed to June 28, 1972.

Your cooperation in this matter will be appreciated.

Yours very truly,

J. V. Gannon
J. V. Gannon
District Superintendent

CPC-cr

DOCKET M-828

6-13-72

(Case 4729 continued)

of Federal, State and Fee lands in Sections 19, 20, 21, 28, 29, 30, 31, 32, and 33, Township 21 South, Range 25 East, Eddy County, New Mexico.

CASE 4730: Application of Stoltz, Wagner & Brown for salt water disposal, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to dispose of produced salt water into the Devonian formation in the interval from 11224 to 11234 feet in their Soldier Hill State AE Well No. 1 located 800 feet from the North line and 1800 feet from the West line of Section 23, Township 12 South, Range 32 East, East Caprock Devonian Pool, Lea County, New Mexico.

CASE 4731: Application of Continental Oil Company for rededication of acreage and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dedicate a standard 640-acre gas proration unit comprising all of Section 14, Township 20 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to its Sanderson "A" Wells Nos. 12 and 13 located, respectively, in Units P and G of said Section 14. Applicant further seeks authority to produce the allowable for the unit from either well in any proportion. Applicant further seeks the establishment of a procedure whereby the allowable for the above-described proration unit may be produced by any or all Eumont gas wells located within said unit without the necessity of notice and hearing.

CASE 4732: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Skaggs-Glorieta, East Weir-Blinbry, and Skaggs-Drinkard Pools in the wellbore of its Skaggs "B" Well No. 5 located 990 feet from the North line and 1700 feet from the West line of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.

CASE 4709: (Continued from the May 5, 1972, Examiner Hearing)

Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Eumont Gas Pool and the Penrose Skelly Oil Pool in the wellbore of its Lockhart A-17 Well No. 1 located in Unit L of Section 17, Township 21 South, Range 37 East, Lea County, New Mexico.

Docket No. 12-72

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 7, 1972

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before DANIEL S. NUTTER, Examiner,
or ELVIS A. UTZ, Alternate Examiner:

CASE 4716 (Readvertised):

Application of Union Oil Company of California for directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Owens Well No. 2, having a surface location in Unit I of Section 34, Township 14 South, Range 35 East, East Morton-Wolfcamp Pool, Lea County, New Mexico. Applicant proposes to set a whipstock at approximately 7200 feet and to directionally drill to bottom the well in the Wolfcamp formation within 100 feet of a point in Unit H 1730 feet from the North line and 560 feet from the East line of said Section 34. Applicant proposes to dedicate the E/2 NE/4 of Section 34 to the well. In the absence of objection an order will issue based upon testimony received in this case on May 17, 1972.

CASE 4726: Application of Shenandoah Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formations through one well located in the SE/4 NW/4 of Section 27, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 4727: Application of Harper Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle oil production from the Blinbry, Drinkard, and Wantz-Abo Pools in the wellbore of its S. J. Sarkey Well No. 2 located in Unit H of Section 26, Township 21 South, Range 37 East, Lea County, New Mexico.

CASE 4728: Application of Texaco Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the East Weir-Tubb Pool, Lea County, New Mexico, including provisions for 80-acre proration units and a limiting gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil.

CASE 4729: Application of American Trading and Production Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Round Mountain Unit Agreement comprising 5,757 acres, more or less,

CASE 4733: Application of David Fasken for pool contraction and creation of a new gas pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the horizontal limits of the Indian Basin-Morrow Gas Pool, Eddy County, New Mexico, by the deletion therefrom of all of Sections 4 and 5, Township 21 South, Range 24 East. Applicant further seeks the creation of a new gas pool with horizontal limits comprising all of said Section 4 and 5 for the production of gas from the Morrow formation.

CASE 4734: Application of Hanagan Petroleum Corporation for pool extension, non-standard spacing unit, and unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order extending the horizontal limits of the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico, to include all of Section 24, Township 21 South, Range 25 East and all of Section 19, Township 21 South, Range 26 East. Applicant further seeks approval of a 636.38-acre non-standard gas spacing unit comprising all of said Section 19 to be dedicated to its Nan-Bet Well No. 1 located at an unorthodox location for said pool 1980 feet from the North line and 660 feet from the West line of said Section 19.

CASE 4735: Application of El Paso Natural Gas Company for capacity production, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rules 14 (A) 15 (A), and 15 (B) of the General Rules and Regulations for the prorated gas pools of Northwest New Mexico, to produce six wells located in Sections 29, 30, 31, and 32 of Township 32 North, Range 8 West and Section 36, Township 32 North, Range 9 West, Blanco-Mesaverde Pool, San Juan County, New Mexico, at full capacity for approximately one year from February 1, 1972.

Applicant further seeks authority to offset any overproduction accrued to the above-described six wells during the one-year period by underproduction attributable to any underproduced wells or marginal wells located within the participating area of the San Juan 32-9 Unit.

CASE 4736: Application of Dalport Oil Corporation for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, to dispose into an unlined surface pit water produced from its Todhunter-Federal Well No. 1 located in the SE/4 NW/4 of Section 22, Township 15 South, Range 29 East, Double L Field, Chaves County, New Mexico.

RECOMMENDED FIELD RULES
FOR THE
WIER TUBB EAST POOL

REPORT EXAMINED BY	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	3
CASE NO.	4228
FILED BY	Texas
filing Date	5-28-72

RULE 1. Each well completed or recompleted in the Wier Tubb East Pool or in the Tubb formation within one mile thereof, and not nearer to or within the limits of another designated Tubb oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a 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. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental 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 upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. Each well shall be located no nearer than 330 feet to any governmental quarter-quarter section or lot line.

RULE 5. The Secretary-Director may grant an exception to the requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions. All operators offsetting the proposed unorthodox location 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 upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of 2.77 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.

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

RULE 7. The limiting gas-oil ratio shall be 4000 cubic feet of gas for each barrel of oil produced.



INTER-OFFICE CORRESPONDENCE / SUBJECT: Texaco N. B. Weir, Well B-7, Weir/Tubbs East
SW SW Sec 12-T20S-R37E, Lea County, New Mexico

Mr. J. V. Gannon
Hobbs, New Mexico

This is to advise that there is adequate line and plant capacity to permit increasing the volume from the subject well, by approximately 250 mcf/d.

This well is now being produced into the Eunice Plant 50# gathering system, at the rate of 246 mcf/d.

E. J. Barker

E. J. Barker

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION

EXHIBIT NO. 4

CASE NO. 4228

Submitted by Texaco

Hearing Date 6-28-72

MANUFACTURING DEPARTMENT

June 14, 1972

P. O. Box 67
Monument, New Mexico 88265

Texaco Inc.
Box 728
Hobbs, New Mexico 88240

Attention: Mr. J. V. Gannon

Dear Sir:

Effective this date, we have the capacity to handle one million cubic feet of gas additional per day from the Weir leases in the Skaggs area.

E. L. Berry
E. L. Berry

ELB:dh

cc: K. C. Purgason
W. V. Whitaker

EXHIBIT NO. 5
4728
Submitted by Texaco
Hearing Date 6-28-72

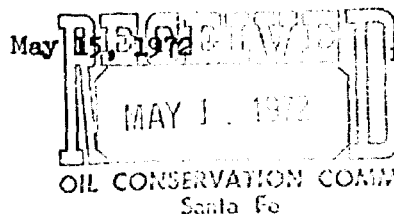
RECEIVED
DET. ENGR. DEPT.

DATE	TIME	NOTE
6-14		
6-16		
6-16		

OF GULF OIL CORPORATION



PETROLEUM PRODUCTS



TEXACO INC.
DRAWER 728
HOBBS, NEW MEXICO 88240

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Request for Examiner Hearing
Field Rules
Weir Tubb East Pool
Lea County, New Mexico


Attention: Mr. A. L. Porter, Jr.

Gentlemen:

It is requested that an examiner hearing be scheduled for June 21, 1972 to consider TEXACO's application for field rules in the Weir Tubb East Pool, Lea County, New Mexico. Field Rules similar to those for the nearby Monument Tubb Field, which provide for 80 acre proration units and a limiting Gas-Oil Ratio of 4000 to 1, will be requested.

Your cooperation in this matter will be appreciated.

Yours very truly,


G. V. Gannon
District Superintendent

CPC-cr

MAS,Jr., REL

DOCKET MAILED

Date 5-24-72

DRAFT

GMH/dr

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

GMH
ASD
IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF TEXACO INC. FOR
SPECIAL POOL RULES, LEA COUNTY,
NEW MEXICO.

CASE No. 4728

Order No. R- 4331

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 28, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of July, 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 the applicant, Texaco Inc., seeks the promulgation
to special rules and regulations for the East Weir-Tubb Pool,
Lea County, New Mexico, including a provision for 80-acre spacing
and proration units *and a limiting gas-oil ratio limitation*
of 4000 cubic feet of gas per barrel of oil.

(3) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk 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, ~~temporary~~ special rules and regulations providing for 80-acre spacing units should be promulgated for the East Weir-Tubb Pool.

(5) ~~That~~ That the ~~temporary~~ special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

~~(5) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well and to determine whether or not the subject pool is in fact an associated reservoir.~~

~~(5) That this case should be reopened at an examiner hearing in _____, 1973, at which time the operators in the subject pool should be prepared to appear and show cause why the East Weir-Tubb Pool should not be developed on 40-acre spacing units.~~

IT IS THEREFORE ORDERED:

That ~~temporary~~ Special Rules and Regulations for the East Weir-Tubb Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
EAST WEIR-TUBB POOL

RULE 1. Each well completed or recompleted in the East Weir-Tubb Pool or in the Tubb formation within one mile thereof, and not nearer to or within the limits of another

(3) That in order to allow each operator in the pool the opportunity to use his unit and equitably share of the reservoir energy, the special rules and regulations should provide for a limited gas-oil ratio of 4000 to 1.

designated Tubb oil pool, shall be spaced, drilled, operated, and produced in accordance with the special rules and regulations hereinafter set forth.

RULE 2. Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a 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. The Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. 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 upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. ~~The first well drilled on every standard or non-standard unit in the East Weir-Tubb Pool shall be drilled in the NW/4 or the SE/4 of a governmental quarter section. All wells shall be located within 200 feet of the center of a governmental quarter-quarter section or lot line.~~
Each well shall be located no nearer than 330 feet to any

RULE 5. The Secretary-Director may grant an exception to the footage requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of

a well previously drilled to another horizon, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed location 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 upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) shall be assigned an 80-acre proportional factor of ~~2.00~~^{2.77} 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.

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

IT IS FURTHER ORDERED:

(1) That the locations of all wells presently drilling to or completed in the East Weir-Tubb Pool or in the Tubb 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 Commission in writing of the name and location of the well on or before August 1, 1972.

(2) That, pursuant to Paragraph A. of Section 65-3-14.5, NMSA 1953, contained in Chapter 271, Laws of 1969, existing wells in the East Weir-Tubb Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C. of said Section 65-3-14.5, existing wells may have non-standard spacing or proration units established by the Commission and dedicated thereto.

Rule 7. The limiting gas-oil ratio shall be 4000 cubic feet of gas for each barrel of oil produced.

-5-

CASE NO. 4728

Order No. R-

Failure to file new Forms C-102 with the Commission dedicating 80 acres to a well or to obtain a non-standard unit approved by the Commission within 60 days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said 60-day limitation, each well presently drilling to or completed in the East Weir-Tubb Pool or in the Tubb formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

~~(3) That this case shall be reopened at an examiner hearing in _____, 1973, at which time the operators in the subject pool may appear and show cause why the East Weir-Tubb Pool should not be developed on 40-acre spacing units and present evidence as to whether or not the subject pool is in fact an associated reservoir.~~

(3) ~~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.