

CASE 2741: Application of SOCONY
for special pool rules for VACUUM-
DEVONIAN POOL.

Case No.

2741

petition, Transcript,
and Exhibits, Etc.

TRANSCRIPT FOR CASE 2741 IS IN CASE 2739 and CASE
2740 - THESE THREE CASES WERE CONSOLIDATED AND WE
ONLY HAD TWO TRANSCRIPTS.

ir/

DRAFT

JMD/esr

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. 2741

Order No. R-2423-A

APPLICATION OF SOCONY MOBIL OIL
COMPANY, INC., FOR TEMPORARY
SPECIAL 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 February 19 1964, at Santa Fe, New Mexico, before Examiner 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 _____ day of March, 1964, the Commission, a quorum being present, having considered the ~~applicant's~~ 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 by Order No. R-2423 dated February 13, 1963, temporary Special Rules and Regulations were promulgated for the Vacuum-Devonian Oil Pool.

(3) That pursuant to the provisions of Order No. R-2423, this case was reopened to allow the operators in the subject pool to appear and show cause why the Vacuum-Devonian Oil Pool should not be developed on 40-acre proration units.

(4) That the evidence establishes that one well in the Vacuum-Devonian Oil 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 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-2423 should be continued in full force and effect until further order of the Commission.

(6) That the Special Rules and Regulations promulgated by Order No. R-2423 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 Special Rules and Regulations governing the Vacuum-Devonian Oil Pool promulgated by Order No. R-2423 are hereby continued in full force and 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.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 23, 1963

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, as alternate examiner:

CASE 2729: (Continued)

Application of Scanlon-Shepard for a waterflood project, Chaco Wash Oil Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to inject water into the Mesaverde formation through certain wells in Sections 21, 22, 27 and 28, Township 20 North, Range 9 West, McKinley County, New Mexico.

CASE 2731: Application of Texaco, Inc., for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State of New Mexico "O" NCT-1 Well No. 12, located in Unit J of Section 36, Township 17 South, Range 34 East, as a dual completion (tubingless) to produce oil from the Glorieta and Blinberry formations, Lea County, New Mexico.

CASE 2732: Application of Sinclair Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Mahaffey-Federal (ARC) Well No. 1 located in Unit C of Section 14, Township 20 South, Range 33 East, Lea County, New Mexico, to produce Bone Springs oil and Pennsylvanian gas through parallel strings of tubing.

CASE 2733: Application of Charles B. Read for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 48.99-acre non-standard oil proration unit in an undesignated Delaware pool consisting of Lots 4 and 5 of Section 31, Township 26 South, Range 32 East, Lea County, New Mexico.

CASE 2734: Application of Aztec Oil & Gas Company for approval of a unit agreement, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Aztec-Robinson Waterflood Unit, comprising approximately 682 acres of State and Federal Lands in the E/2 SE/4 and SW/4 SE/4 of Section 36, Township 16 South, Range 31 East, the SW/4 SE/4 of Section 30, the W/2, W/2 E/2 and SE/4 SE/4 of Section 31, Township 16 South, Range 32 East Lea and Eddy Counties, New Mexico.

CASE 2735: Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its State BT "G" Well No. 2 located in Unit P, Section 27, Township 12 South, Range 33 East, Hightower Field, Lea County, New Mexico, in such a manner as to dispose of produced salt water into the Pennsylvanian formation.

- CASE 2736: Application of Gulf Oil Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 120-acre non-standard gas proration unit in the Blinebry Gas Pool, comprising the N/2 SW/4 and SE/4 NW/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, said unit to be dedicated to the Scarborough Estate Well No. 4 located in Unit F of Section 31.
- CASE 2737: Application of Gulf Oil Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules for the White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, including provisions for 640-acre spacing therein.
- CASE 2738: Application of BCO, Inc. for a no-flare exception, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the no-flare provisions of Order No. R-2267 for its Campos Well No. 1-10 located in Unit J of Section 10, Township 23 North, Range 7 West, Lybrook-Gallup Pool, Rio Arriba County, New Mexico.
- CASE 2739: Application of Socony Mobil Oil Company, Inc., to create a new pool for Abo production, and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for Abo production in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, and the establishment of temporary special pool rules therefor, including a provision for 80-acre spacing units.
- CASE 2740: Application of Socony Mobil Oil Company, Inc., for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Vacuum-Wolfcamp Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2741: Application of Socony Mobil Oil Company, Inc., for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Vacuum-Devonian Pool in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, including a provision for 80-acre spacing units.
- CASE 2742: Application of Pan American Petroleum Corporation for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Fowler-Blinebry Oil Pool, Lea County, New Mexico, including a provision for 80-acre proration units.
- CASE 2743: Application of Pan American Petroleum Corporation for the creation of a Tubb Gas Pool, for approval of a non-standard gas unit, and for special temporary pool rules. Applicant, in the above-styled cause, seeks the creation of a new Tubb gas pool, and the establishment of temporary special pool rules therefor, Lea County, New Mexico, including a provision for 320-acre spacing units. Applicant further seeks establishment of a non-standard unit in said pool, comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East.

CASE 2744: Application of Pan American Petroleum Corporation for special pool rules and approval of a non-standard gas unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules for the Fowler-Paddock Gas Pool, Lea County, New Mexico, including a provision for 320-acre spacing units. Applicant further seeks establishment of a non-standard unit in said pool, comprising the NE/4, E/2 NW/4, and the N/2 SE/4 of Section 22, Township 24 South, Range 37 East.

2741

Recd 1-23-63

Rec. 1-30-63

1. Grant \$0.00 temporary spacing for
Vacuum Deromian - Out post and com-
mended in case 2739, ~~except that~~

2. This post is already created.

Thurs. J. P.

DOCKET NO. 6-64

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 19, 1964

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 2991: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Dwight L. Smith and all other interested parties to appear and show cause why the Walker Well No. 1, located 2290 feet from the South line and 500 feet from the East line of Section 21, Township 15 South, Range 11 East, Otero County, New Mexico, should not be plugged in accordance with a Commission-approved plugging program.
- CASE 2992: Application of Consolidated Oil & Gas, Inc., for an unorthodox location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the unorthodox location of their Hoyt Well No. 3-5, located 1850 feet from the North line and 110 feet from the West line of Section 5, Township 26 North, Range 4 West, Blanco Mesa Verde Pool, Rio Arriba County, New Mexico.
- CASE 2993: Application of Sinclair Oil & Gas Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Southwest Jal Unit Area comprising 6401 acres, more or less, of State, Federal and fee lands in Townships 25 and 26 South, Range 36 East, Lea County, New Mexico.
- CASE 2994: Application of Skelly Oil Company for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Gallup formation underlying its Navajo "P" and "M" leases in Sections 25, 26, 33, 34, 35, and 36, Township 32 North, Range 17 West, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico. Initial injection will be through applicant's Navajo "P" Well No. 6 located in Unit P of said Section 35. Applicant further seeks the promulgation of special rules governing the operation of said project.
- CASE 2995: Application of Deane H. Stoltz for two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two 80-acre non-standard oil proration units in the North Bagley-Upper Pennsylvanian Pool, Lea County, New Mexico, the first to comprise the SE¹/₄ NE¹/₄ and NE¹/₄ SE¹/₄ of Section 22, Township 11 South, Range 33 East, to be dedicated to a well completed in the SE¹/₄ NE¹/₄ of Section 22; the second to comprise the SW¹/₄ NE¹/₄ and the NW¹/₄ SE¹/₄ of

-2-

CASE 2995: said Section 22 to be dedicated to a well to be re-entered
(Cont.) in the SW/4 NE/4 of said Section 22.

CASE 2984: (Continued from the February 5th Examiner Hearing)

Application of The Pure Oil Company and Continental Carbon Company to utilize natural gas in a carbon black plant, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to utilize approximately 7 million cubic feet of Morrow gas per day in the Continental Carbon Company carbon black plant near Eunice, New Mexico, said gas to be produced from The Pure Oil Company Wilson Deep Unit Well No. 1, located in the SE/4 NW/4 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico.

CASE 2996: Application of Nearburg & Ingram for the creation of a new gas pool and for special temporary pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for San Andres production in Sections 10, 11, 12, 13, 14 and 15, Township 8 South, Range 37 East, Roosevelt County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 320 acre spacing.

CASE 2739: (Reopened)

In the matter of Case No. 2739 being reopened pursuant to the provisions of Order No. R-2421, which order established temporary 80-acre proration units for the North Vacuum-Abo Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2740: (Reopened)

In the matter of Case No. 2740 being reopened pursuant to the provisions of Order No. R-2422, which order established temporary 80-acre proration units for the Vacuum-Wolfcamp Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2741: (Reopened)

In the matter of Case No. 2741 being reopened pursuant to the provisions of Order No. R-2423, which order established temporary 80-acre proration units for the Vacuum-Devonian Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2742: (Reopened)

In the matter of Case No. 2742 being reopened pursuant to the provisions of Order No. R-2424, which order established temporary 80-acre oil proration units for the Fowler-Blinebry Oil Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre proration units.

CASE 2743: (Reopened)

In the matter of Case No. 2743 being reopened pursuant to the provisions of Order No. R-2425, which order established temporary 320-acre spacing units for the Fowler-Tubb Gas Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 2744: (Reopened)

In the matter of Case No. 2744 being reopened pursuant to the provisions of Order No. R-2426, which order established temporary 320-acre spacing units for the Fowler-Paddock Gas Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 160-acre spacing units.

CASE 2997: Application of Socony Mobil Oil Company, Inc., for the abolishment of an existing pool and the creation of two new oil pools, and for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for lower Pennsylvanian production in Section 26, Township 17 South, Range 34 East, Lea County, New Mexico, and for the establishment of temporary rules therefor, including provisions for 80-acre units and for the establishment of a gas-oil ratio limitation of 6000 cubic feet of gas per barrel of oil produced. Said pool would be created by the abolishment of the Vacuum-Pennsylvanian Pool in Township 17 South, Range 34 East, and the subsequent creation of the Vacuum Upper Pennsylvanian and Vacuum Lower Pennsylvanian Pools.

CASE 2998: Application of Tenneco Oil Company for a gas well-water injection well, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Central Totah Unit Well No. 24 located in Unit O of Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico, to produce gas from the Basin-Dakota Gas Pool through 1 1/2 inch tubing and to inject water into the Gallup formation, Totah-Gallup Oil Pool, through 2 1/16 inch tubing with separation of the zones by a packer set at 5766 feet.

- CASE 2999: Application of Phillips Petroleum Company for two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of an 80-acre non-standard oil proration unit for each of two pools, the Vacuum Wolfcamp Pool and the North Vacuum Abo Pool, said units to comprise the NW/4 SW/4 and the SW/4 NW/4 of Section 31, Township 17 South, Range 35 East, Lea County, New Mexico, to be dedicated to applicant's Santa Fe Well No. 87, located 2310 feet from the South line and 660 feet from the West line of said Section 31.
- CASE 3000: Application of Franklin, Aston & Fair Inc. for the creation of a San Andres Gas Pool and for special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new San Andres Gas Pool comprising all or portions of Sections 22, 23, 25, 26, 27 and 28, Township 7 South, Range 35 East, and the establishment of special pool rules, including 320 acre spacing and fixed well locations, Roosevelt County, New Mexico.
- CASE 2979: (Continued from February 5, 1964, Examiner Hearing)
- Application of Pan American Petroleum Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Abo formation through its U.S.A. Malco Refineries 'G' Well No. 13, located 2302 feet from the South line and 1650 feet from the West line of Section 10, Township 18 South, Range 27 East, Empire Abo Pool, Eddy County, New Mexico.

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

February 14, 1963

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

Mr. James Sperling
Modrall, Seymour, Sperling, Roehl,
and Harris
Attorneys at Law
Post Office Box 466
Albuquerque, New Mexico

2739
2740
Case No. 2741
Order No. R-2421, R-2422 and R-2423
Applicant:
Socony Mobil Oil Company

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

Name

Address

Ph.

Remarks:

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Astec OCC

OTHER Mr. Booker Kelly

Mr. Vic Lyon

DOCKET MAILED

Date 2-10-64

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

T R State
or County

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. 2741
Order No. R-2423

APPLICATION OF SOCONY MOBIL OIL
COMPANY, INC., FOR TEMPORARY
SPECIAL POOL 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 January 23, 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 13th day of February, 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 the applicant, Socony Mobil Oil Company, Inc., seeks the promulgation of temporary special rules and regulations for the Vacuum-Devonian Oil Pool, including a provision for 80-acre spacing units.

(3) That temporary special rules and regulations establishing 80-acre spacing should be promulgated for the subject pool in order to prevent the possibility of economic loss resulting from the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the reservoir characteristics of the pool.

(4) 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 and that during

-2-

CASE No. 2741
Order No. R-2623

this one-year period all operators in the subject pool should gather all available information relative to drainage and recoverable reserves.

(6) That this case should be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool should appear and show cause why the Vacuum-Devonian Oil Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That special rules and regulations for the Vacuum-Devonian Oil Pool are hereby promulgated as follows, effective March 1, 1963.

SPECIAL RULES AND REGULATIONS
FOR THE
VACUUM-DEVONIAN OIL POOL

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

RULE 2. Each well completed or recompleted in the Vacuum-Devonian Oil Pool 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 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. The Secretary-Director 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 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 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 Vacuum-Devonian Oil Pool shall be located within 200 feet of the center of either the NW/4 or the SE/4 of a governmental quarter section.

-3-

Order No. 8-2423

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 or the recompletion of a well previously drilled to another horizon. 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) in the Vacuum-Devonian Oil Pool shall be assigned an 80-acre proportional factor of 7.75 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 in the Vacuum-Devonian Oil Pool as the acreage in such non-standard unit bears to 80-acres.

IT IS FURTHER ORDERED:

(1) That any well presently drilling to or completed in the Devonian formation within the Vacuum-Devonian Oil Pool or within one mile of the Vacuum-Devonian Oil Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4. The operator shall notify the Hobbs District Office in writing of the name and location of the well on or before March 1, 1963.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the Vacuum-Devonian Oil Pool shall file a new form C-128 with the Commission on or before March 1, 1963.

(3) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the Vacuum-Devonian Oil 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.

-4-
CASE No. 2741
Order No. R-2423

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Jack M. Campbell

JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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

esr/

Case 2741

Heard 2-19-64

Rec. 2-26-64

1. Grant Sonoma Mobil - a permanent
order for R-2+23, Vacuum-Deer. oil
pool.

— Thud A. [Signature]

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. B. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

March 13, 1964

Mr. James Sperling
Modrall, Seymour, Sperling, Roehl, Re:
and Harris
Attorneys at Law
Suite 1200 - Simms Building
Albuquerque, New Mexico

2739
2740
2741
Case No. 2741
Order No. R-2421-A, R-2422-A, &
Applicant: R-2423-A
SOCORVY MOBIL OIL COMPANY

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.
Secretary-Director

ix/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Antec OCC

OTHER Mr. Charlie White, Mr. Jason Kellahin, Mr. Carl Jones
Mr. Ron Jacobs.

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. 2741
Order No. R-2423-A

APPLICATION OF SOCONY MOBIL OIL
COMPANY, INC., FOR TEMPORARY
SPECIAL POOL 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
February 19, 1964, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this 13th day of March, 1964, 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 by Order No. R-2423 dated February 13, 1963,
temporary Special Rules and Regulations were promulgated for the
Vacuum-Devonian Oil Pool.

(3) That pursuant to the provisions of Order No. R-2423,
this case was reopened to allow the operators in the subject pool
to appear and show cause why the Vacuum-Devonian Oil Pool should
not be developed on 40-acre proration units.

(4) That the evidence establishes that one well in the
Vacuum-Devonian Oil Pool can efficiently and economically drain
and develop 80 acres.

(5) That to prevent the economic loss caused by the drill-
ing 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

-2-

CASE No. 2741
Order No. R-2423-A

too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. 2423 should be continued in full force and effect until further order of the Commission.

(6) That the Special Rules and Regulations promulgated by Order No. R-2423 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 Special Rules and Regulations governing the Vacuum-Devonian Oil Pool promulgated by Order No. R-2423 are hereby continued in full force and 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
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
SOCONY-MOBIL OIL COMPANY, INC. FOR
ADOPTION OF TEMPORARY SPECIAL POOL
RULES WITHIN UNDESIGNATED POOLS
PRODUCING FROM THE ABO, ~~WOLF CAMP AND~~
~~DEVONIAN~~ FORMATIONS IN THE VACUUM
FIELD AREA, LEA COUNTY, NEW MEXICO.

CASE NO. 2741

A P P L I C A T I O N

Comes now SOCONY-MOBIL OIL COMPANY, INC., a corporation authorized to do
business in the State of New Mexico, hereinafter called "Applicant", and states:

I

Applicant is the operator of a well producing oil from the Abo, Wolfcamp
and Devonian Formations which said well is designated as Applicant's State Bridges
Well No. 95 located in Unit P of Section 26, Township 17 South, Range 34 East,
N.M.P.M., Lea County, New Mexico, and that said production is from undesignated
pools.

II

Special Pool Rules and Regulations should be adopted by this Commission
concerning the drilling of oil wells in said pools and the production therefrom,
including but not limited to provisions for drilling and proration units. A
proration unit should consist of two contiguous governmental quarter-quarter
sections within a given section of the United States Public Lands Survey and
containing 80 acres, more or less.

DOCKET MAILED

Date 1/16/63

III

That the adoption of said Special Pool Rules will prevent waste, prevent the drilling of unnecessary wells, and protect the correlative rights.

IV

That the adoption of said Special Pool Rules should be on a temporary basis effective for not more than one year in order that information and data may be obtained relating to the reservoir and its characteristics of each of said pools.

V

The establishment of drilling and spacing units as herein requested is necessary for the orderly development of a common source of supply in said undesignated pools.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, after due notice as prescribed by law, and upon such notice and hearing, Applicant requests that the Commission issue its order establishing special pool rules for said undesignated pools and providing for 80 acre drilling and spacing units and for oil allowables based on such spacing and that the order provide for the adoption of said rules on a temporary basis for a period not exceeding one year, and that said order provide such other and further relief to Applicant as it may show itself entitled to receive in the premises.

DATED this 26th day of December, 1962.

SECONY-MOBIL OIL COMPANY, INC.,
a corporation, Applicant

By its attorneys:

MODRALL SEYMOUR SPERLING ROEHL & HARRIS

BY *James E. Sperling*

Attorneys for Applicant
P. O. Box 466
Albuquerque, New Mexico

DRAFT

JMD/csr
February 5, 1963

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 2741

Order No. R- 2422

ms
APPLICATION OF SOCONY MOBIL OIL
COMPANY, INC., FOR TEMPORARY
SPECIAL POOL 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 January 23, 1961, 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 _____ day of February, 1961, 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 the applicant, Socony Mobil Oil Company, Inc., seeks the promulgation of temporary special rules and regulations for the Vacuum-Devonian Oil Pool, including a provision for 80-acre spacing units.

(3) That temporary special rules and regulations establishing 80-acre spacing should be promulgated for the subject pool in order to prevent the possibility of economic loss ^{resulting} ~~being caused~~ *from* by the drilling of unnecessary wells and in order to allow the operators in the subject pool to gather information concerning the ^{reservoir characteristics of the pool} ~~area that can be efficiently and economically drained by~~ one well.

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

(5) That ^{the} temporary special rules and regulations ~~for the~~
~~Vacuum-Devonian Oil Pool~~ should be established for a one-year
period and that during this one-year period all operators in
the subject pool should gather all available information rela-
tive to drainage and recoverable reserves.

(6) That this case should be reopened at an examiner hear-
ing in February, 1964, at which time the operators in the subject
pool should appear and show cause why the Vacuum-Devonian Oil
Pool should not be developed on 40-acre proration units.

IT IS THEREFORE ORDERED:

(1) That special rules and regulations for the Vacuum-
Devonian Oil Pool are hereby promulgated as follows, effective
March 1, 1963.

SPECIAL RULES AND REGULATIONS
FOR THE
VACUUM-DEVONIAN OIL POOL

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

RULE 2. Each well completed or recompleted in the Vacuum-
Devonian Oil Pool shall be spaced on a standard unit containing
80 acres, more or less, consisting 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 an application has been filed 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 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 ~~application has been~~

~~received by the Secretary-Director~~ *has received the application.*

The first
~~RULE 4. Each well drilled in the Vacuum-Devonian Oil Pool~~
on every standard and non-standard unit
within 200 feet of the corner of either
shall be located ~~in~~ the NW/4 or the SE/4 of a governmental quarter ~~en~~

section
~~section, and not closer than 200 feet to a governmental quarter-~~
~~quarter section line.~~

7
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 or the recompletion of a well previously drilled to another horizon. 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) in the Vacuum-Devonian Oil Pool shall be assigned an 80-acre proportional factor of 7.75 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 in the Vacuum-Devonian Oil Pool as the acreage in such non-standard unit bears to 80 acres.

It is Further Ordered:

(1) ~~That~~ any well presently drilling to or completed in the Devonian formation within the Vacuum-Devonian Oil Pool or within one mile of the Vacuum-Devonian Oil Pool that will/comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of Rule 4,

(3) (1) That this case shall be reopened at an examiner hearing in February, 1964, at which time the operators in the subject pool may appear and show cause why the ~~North Vacuum-Devonian~~ ^{Vacuum-Devonian} Oil Pool should not be developed on 40-acre proration units.

(2) (1) That any operator desiring to dedicate 80 acres to a well presently drilling or completed in the Vacuum-Devonian Oil Pool shall file a new Form C-128 with the Commission on or before March 1, 1963.

(4) (1) 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.

Operator to file in writing to the name and location of the well on or before March 1, 1963.