

CASE 3097: Appli. of CONTINENTAL
for special pools for the BAISH-
WOLFCAMP POOL, LEA COUNTY, N.M.

CASE NO.

3097

Application,

TRANSCRIPTS,

SMALL Exhibits

ETC.



CONTINENTAL OIL COMPANY

P. O. BOX 460
HOBBS, NEW MEXICO

August 6, 1964

PRODUCTION DEPARTMENT
HOBBS DISTRICT
JACK MARSHALL
DISTRICT MANAGER
G. C. JAMIESON
ASSISTANT DISTRICT MANAGER

1001 NORTH TURNER
TELEPHONE: EX 3-4141

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

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

Gentlemen:

Re: Applications for Special
Pool Rules - Baish Wolf-
camp and Maljamar Abo
Pools - Lea County, New
Mexico

We forward herewith applications, in triplicate,
for approval of special pool rules for the Baish Wolfcamp
and Maljamar Abo Oil Pools in Lea County, New Mexico.

We should appreciate your setting these matters
for hearing by Examiner at the earliest convenient date.

Yours very truly,

Jack Marshall

JM-DFW
Enc.

cc: RGP GW JWK

DOCKET MAILED

Date 8-12-64

PIONEERING IN PETROLEUM PROGRESS SINCE 1875

MAIN OFFICE OCC

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

1964 AUG 10 AM 7:43

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR SPECIAL
POOL RULES FOR THE BAISH-WOLFCAMP
POOL, INCLUDING PROVISIONS FOR 80-
ACRE SPACING.

A P P L I C A T I O N

Comes now Applicant, Continental Oil Company, and re-
quests the promulgation of special pool rules for the Baish-
Wolfcamp Pool, including 80-acre drilling and spacing units and
in support thereof would show:

1. The Baish-Wolfcamp Pool, as presently designated
is comprised of the following described lands in Township 17
South, Range 32 East, Lea County, New Mexico:

NE/4 Section 21
NW/4 Section 22

2. Applicant is the owner and operator of leases and
wells in said pool.

3. Applicant can show that special pool rules provid-
ing for 80-acre drilling and spacing units will prevent waste and
protect correlative rights.

WHEREFORE, Applicant respectfully requests that this
application be set for hearing before the Commission's duly ap-
pointed examiner and that, upon hearing, an order be entered pro-
mulgating pool rules for the Baish-Wolfcamp Pool as described
above.

Respectfully submitted,
CONTINENTAL OIL COMPANY

By Frank Marshall
District Manager
of Production

JM-DFW

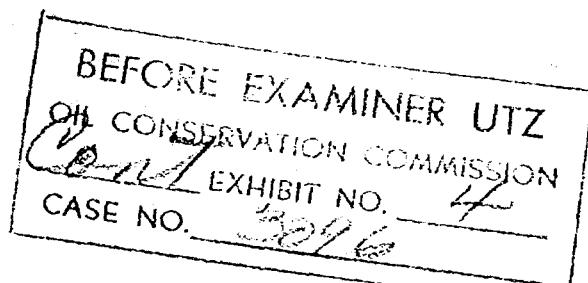
EXHIBIT NO. 4

SPECIAL RULES AND REGULATIONS
FOR THE BAISH-WOLFECAMP OIL POOL

RULE 1. Each well completed or recompleted in the Baish-Wolfcamp Oil Pool or in the Wolfcamp formation within one mile of the Baish Wolfcamp Oil Pool and not nearer to or within the limits of another designated Wolfcamp Oil 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 Baish Wolfcamp 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.



Special Rules & Regulations for the Baish-Wolfcamp Oil Pool
Page 2

RULE 4. Each well projected to or completed in the Baish-Wolfcamp Oil Pool shall be located within 150 feet of the center of either the NE/4 or SW/4 of the quarter section.

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, the recompletion of a well previously drilled to another horizon or the drilling of a second well on a standard unit. 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 Baish-Wolfcamp Oil Pool shall be assigned an 80-acre proportional factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Baish-Wolfcamp Oil Pool as the acreage in such non-standard unit bears to 80 acres.

Scale 1/4" = 100'

8

Scale 1/4" = 100'

R 32 E
ESTIMATED LIMITS
OF PRODUCTION

17

16

18

5700'

5750'

20

21

22

5800'

5850'

28

R-32-E

BEFORE EXAMINER UZ
OIL COMMISSION
EXHIBIT 100-100-100

CONTINENTAL OIL COMPANY
PRODUCTION DEPARTMENT
HOBBS DISTRICT
MALJAMAR POOL AREA
Lea County, New Mexico

Structure Map Contoured on top of a
Bollinger Marker approximately 60'
above the pay.

Contour Interval 25'

WIS 13-0-56
REGISTERED

EXHIBIT NO. 3

TABLE I

	Investment	Reserves	\$ Return	Payout
40-acre Wolfcamp single	\$184,000	89,200	>1	7.4 yrs.
80-acre Wolfcamp single	184,000	178,400	12	3.8 yrs.
40-acre Wolfcamp dual	237,000	187,500	12	4.6 yrs.
80-acre Wolfcamp dual	237,000	300,000	38	1.8 yrs.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Con EXHIBIT NO. 3
CASE NO. 3097

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 26, 1964

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 3095: Application of Continental Oil Company for an amendment to Order No. R-2564, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Order No. R-2564 to provide, among other things, the substitution of two wells in Units N and O for the presently authorized injection well in Unit K of Section 34, Township 28 North, Range 17 West, Table Mesa-Dakota Pressure Maintenance Project, Table Mesa Pool, San Juan County, New Mexico.

CASE 3096: Application of Continental Oil Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules, including a provision for 80-acre spacing and a gas-oil ratio of 6000 to 1 for the Maljamar-Abq Pool in Township 17 South, Range 32 East, Lea County, New Mexico.

CASE 3097: Application of Continental Oil Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of special pool rules including a provision for 80-acre proration units for the Baish-Wolfcamp Pool in Sections 21 and 22, Township 17 South, Range 32 East, Lea County, New Mexico.

CASE 3082: (Continued from the July 22, 1964 Examiner Hearing)
Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through perforations from 11,246 feet to 11,285 feet in its State-Gross Well No. 2 located in Unit G of Section 2, Township 12 South, Range 32 East, East Caprock Field, Lea County, New Mexico.

CASE 3098: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to consider a revision of Rule 701-E-4. In the above-styled cause, the Commission proposes to consider an amendment to Rule 701-E-4 of the Rules and Regulations to provide a more current area allowable factor for waterfloods in Northwest New Mexico. The proposed factor would be approximately 70 barrels per day.

Case 3087

Held 8-26-64

Rec. 8-26-64

1. Grant Cont. request for special pool rules for Maljamar - Wolfcamp Oil Pool. Use exhibit. 4 for Rules. Rules should be same as case 3086 except that G.O.R. is 2000:1 instead of 4000:1.

2. Make order permanent.

Thurs. 8/27

GVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
JOHNNY WALKER
MEMBER

P. O. BOX 7088
SANTA FE

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

September 9, 1966

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

RE: CASE NO. 3097
ORDER NO. R-2765
APPLICANT Continental

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

ir/

Carbon copy of order also sent to:

Hobbs OCC ☒

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. 3097
Order No. R-2765

APPLICATION OF CONTINENTAL OIL
COMPANY FOR 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 August 26, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of September, 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 the applicant, Continental Oil Company, seeks the promulgation of special rules and regulations for the Baish-Wolfcamp Pool in Sections 21 and 22, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, including a provision for 80-acre proration units.

(3) That one well in the Baish-Wolfcamp Pool can efficiently and economically drain and develop 80 acres.

(4) 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 providing

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CASE No. 3097
Order No. R-2765

for 80-acre spacing units should be promulgated for the Baish-Wolfcamp Pool.

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

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Baish-Wolfcamp Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
BAISH-WOLFCAMP POOL

RULE 1. Each well completed or recompleted in the Baish-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof, and not nearer to or within the limits of another designated Wolfcamp 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 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 shall be located in the NE/4 or SW/4 of a

-3-

CASE No. 5097

Order No. R-2788

governmental quarter section. All wells shall be located within 150 feet of the center of a governmental quarter-quarter section.

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 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 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

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 any operator desiring to dedicate 80 acres to a well presently drilling to or completed in the Baish-Wolfcamp Pool shall file a new Form C-128 with the Commission on or before September 15, 1964.

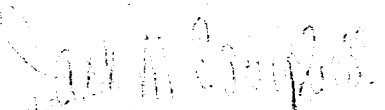
(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.


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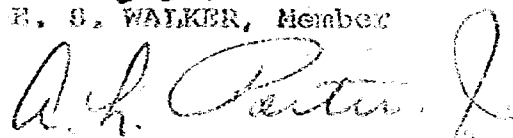
CASE No. 2037
Order No. R-2765

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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



esr/

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 26, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Continental Oil Company for
special pool rules, Lea County, New Mexico.
Applicant, in the above-styled cause, seeks
the establishment of special pool rules
including a provision for 80-acre proration
units for the Baish-Wolfcamp Pool in Sec-
tions 21 and 22, Township 17 South, Range
32 East, Lea County, New Mexico.

Case No. 3097

BEFORE: ELVIS A. UTZ, Examiner.

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

MR. UTZ: We will call Case 3097.

MR. DURRETT: Application of Continental Oil Company for special pool rules, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, Jason Kellahin, Kellahin & Fox, appearing for the Applicant. We have one witness who has been sworn in Case 3096.

MR. UTZ: Yes, the record will show that the witness was sworn in the previous case.

C. W. PICKERING

called as a witness, having been previously duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A C. W. Pickering.

Q Are you the same C. W. Pickering who testified in Case 3096 before the Examiner today?

A Yes.

MR. KELLAHIN: Are the witness's qualifications acceptable?

MR. UTZ: Yes, sir.

(Whereupon, Applicant's Exhibits 1 through 4 were marked for identification.)

Q Are you familiar with Continental Oil Company's case in 3097?

A Yes.

Q Would you state briefly what is proposed by Continental Oil in this?

A It is the application of Continental Oil Company for special pool rules for the Baish-Wolfcamp Pool, including provisions for 80-acre spacing.

Q Referring to what has been marked as Exhibit No. 1, would you identify that exhibit and discuss the information shown on it?

A Yes, sir. Exhibit 1 is a location and ownership map showing the boundaries of the Baish-Wolfcamp Pool in red, and the wells producing from the Wolfcamp formation circled in green. There are only two wells presently completed in the Baish-Wolfcamp Pool. Continental's Baish "B" No. 1 was a discovery well establishing the pool on August 1, 1962. Continental's Baish "A" No. 12 was completed in the Wolfcamp on 3-5-64. Both wells are dual completions in the Maljamar-Abo Pool.

Q What development pattern has been followed or will be followed in the development of this pool?

A Continental has planned a uniform 80-acre spacing

pattern in which wells will be drilled in the Northeast Quarter and Southwest Quarter of the quarter sections.

Q Referring to what has been marked as Exhibit No. 2, would you identify that exhibit and discuss it?

A Exhibit No. 2 is a structure map drawn on a Wolfcamp marker, which reflects the subsea relief of the Baish-Wolfcamp Pool pay section. This section occurs in the lowermost portion of the Wolfcamp formation and the marker is approximately 60 feet above the pay. The pay boundary, as designated by the dashed line, is an educated guess based on Wolfcamp completion attempts and drill stem test results from wells in this area.

Q Will you describe the reservoir formation?

A The Wolfcamp pay zone is a tan, finely crystalline, fossiliferous, shaly limestone containing fair vuggy porosity in the pay section. Log analysis indicate an average porosity of 6.5% and a water saturation of 30%.

Q What type of drive mechanism do you believe exists in this reservoir?

A Production history to date indicates a solution gas drive mechanism is operating the reservoir.

Q Referring to what has been marked as Exhibit No. 3, would you identify that exhibit and discuss it?

A Exhibit No. 3 is a tabulation illustrating the

economics of various spacing combinations for a Baish-Wolfcamp well. It is apparent that the Wolfcamp-Abo 80-acre dual well offers the greatest economic return. The 40-acre Wolfcamp single is economically unsound.

Q Do you believe that one well will drain 80 acres in this pool?

A The Baish "B" No. 1, Wolfcamp, is a poor producer and will probably have poor recovery. It is, as yet, too early to predict the performance of the Baish "A" No. 12, although it is a higher capacity well and may be able to drain 80 acres. The economic analysis just presented was based on a high capacity well of the same caliber as the Baish "A" No. 12.

Q Considering the data you have presented, would you state your conclusions and recommendations to the Commission?

A The recoverable reserves and cost of development, as shown on Exhibit 3, show quite clearly that the only possible means of economically developing this reservoir is through duals with the Abo or other formations. Since an operator could not justify drilling single completions, even for an 80-acre allowable, it would not be logical to prescribe the development of the pool on a 40-acre spacing basis

It is my recommendation that the pool rules identical with those proposed for the Maljamar-Abo Pool be promulgated, with

the exception that the limiting gas-oil ratio of 2000 to 1 and the allowable factor for an 80-acre well should be 4.77 rather than 4.00.

Q Is the 4.77 figure that that would be provided by the present rules of the Commission, or is that a change?

A That would be an 80-acre allowable.

Q Under the present rules?

A Yes, sir.

Q Have you prepared a proposed set of field rules for the Baish-Wolfcamp Pool?

A Yes. Exhibit No. 4 is a list of the field rules which we propose and recommend to the Commission for this reservoir.

Q Were Exhibits 1 through 4 prepared by you or under your supervision?

A Yes, sir.

MR. KELLAHIN: At this time I would like to offer in evidence Exhibits No. 1 through 4.

MR. UTZ: Without objection, Exhibits 1 through 4 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits No. 1 through 4 were offered and admitted in evidence.)



Q By Mr. Utz: Do you have anything further to add, Mr. Hulsch?

A No, sir.

MR. HULSHAM: That's all the questions I have on direct examination.

CROSS EXAMINATION

BY MR. UTZ:

Q What was the percentage of water and the permeability that you stated?

A It was 30% water saturation. This is through log analysis, and the permeability, we don't have a measurement of that except through the Raish "A" 12 we had a pressure build-up which indicated good permeability. The porosity, I believe, was 6.8%.

Q Six and a half?

A Six and a half, yes, sir.

Q You don't have any log analysis or microlog for the permeability interpretation?

A We have a microlog indicating permeability. We can not put a figure on it, though, except through bottom hole pressure build-up.

Q The rate of build-up, then, shows that the No. 12 well, at least, has would you say good permeability or fair?

A Good.

Q Do these rules vary in regard to spacing, well location as compared with the rules that you have just suggested in your previous case, 3096?

A They are identical as to location.

Q They're the same. That is 150 feet from the center and rigid pattern Northeast-Southwest?

A Yes, sir.

Q I don't recall whether you stated or not, are you asking for temporary order or permanent order?

A We would like permanent.

Q Are there any other Wolfcamp pools in this area?

A Yes, there's a North Baish-Wolfcamp Pool located in Section 10, one well completed. I believe it's the Pan American Maljamar Deep Unit.

Q Was that a gas well?

A No, sir. The Wolfcamp completion is marginal. If it's dually completed I'm not aware of it. It may be completed in the Pennsylvanian.

Q What is the spacing in that pool?

A I don't know.

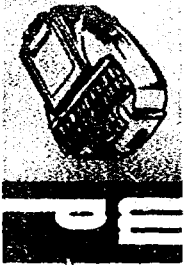
Q Just a one-well pool anyway?

A Yes, sir.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COURT CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



MR. UTZ: Any other questions of the witness? The witness may be excused.

(Witness excused.)

MR. UTZ: Any statements in this case? The case will be taken under advisement.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 3rd day of September, 1964.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a true and correct record of the proceedings in the Oil Conservation Commission of Case No. 3097, heard by me on *Aug. 26*, 1964.
Thurston H. [Signature], Examiner
New Mexico Oil Conservation Commission

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:

CF. Subj.

Special Rules
80 acre spec Baish
wolfcamp
Spec Rules

CASE No. 3097

Order No. R- 2765

APPLICATION OF CONTINENTAL OIL
COMPANY FOR 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
August 26, 1964, at Santa Fe, New Mexico, before Examiner
Daniel G. Nutter

NOW, on this 26th day of August, 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 the applicant, Continental Oil Company, seeks the
promulgation of ~~temporary~~ special rules and regulations for the
Baish-Wolfcamp Pool in Sections 21 and 22, Township 17 South, Range
32 East, NMPM, Lea County, New Mexico, including a provision for
80-acre proration units.

→ (4) 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

(3) That one well in the Baish-Wolfcamp Pool can
efficiently and economically drain and develop
80 acres.

providing for 80-acre spacing units should be promulgated for the Baish-Wolfcamp 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 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.

(6) That this case should be reopened at an examiner hearing in _____, 1965, at which time the operators in the subject pool should be prepared to appear and show cause why the Baish-Wolfcamp Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

That ~~temporary~~ Special Rules and Regulations for the Baish-Wolfcamp Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
BAISH-WOLFCAMP POOL

RULE 1. Each well completed or recompleted in the Baish-Wolfcamp Pool or in the Wolfcamp formation within one mile thereof and not nearer to or within the limits of another designated Wolfcamp ^{oil} 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 Baish-Wolfcamp 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 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 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 shall be located in the NE 1/4 or SW 1/4 of a governmental quarter section. All wells shall be located within 150 feet of the center of a governmental quarter-section.*

footage
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. *provided the well will be located no nearer than 330 feet to the center of the section* 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 ~~Barish-Wolfcamp Pool~~ shall be assigned an 80-acre proportional

factor of 4.77 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable ~~in the Baish-Wolfcamp 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 Wolfcamp formation within the Baish-Wolfcamp Pool or within one mile of the Baish-Wolfcamp Pool that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before _____, 1964.

(2) That any operator desiring to dedicate 80 acres to a well presently drilling to or completed in the Baish-Wolfcamp Pool shall file a new Form C-128 with the Commission on or before September 15, 1964.

(3) That this case shall be reopened at an examiner hearing in _____, 1965, at which time the operators in the subject pool may appear and show cause why the Baish-Wolfcamp Pool should not be developed on 40-acre spacing units.

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

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