

Entered August 27, 1957  
A.H.B.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE NO. 1277  
Order No. R-1039

APPLICATION OF THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO AT THE  
REQUEST OF WILSON OIL COMPANY FOR  
AN ORDER ESTABLISHING A NEW OIL POOL  
WITH SPECIAL RULES AND REGULATIONS IN  
TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM,  
IN THE POTASH-OIL AREA OF LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 17, 1957, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 26<sup>th</sup> day of August, 1957, the Commission, a quorum being present, having considered the application and the evidence adduced 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 case and the subject matter thereof.

(2) That a new pool productive of oil from the Yates formation was discovered by the Wilson Oil Company, Muse Well No. 1, located in the NE/4 NE/4 of Section 21, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Said well was completed on May 10, 1957, with the top of the perforations at 3513 feet.

(3) That the available geological information indicates that the probable productive limits of the common source of supply discovered by the said Muse Well No. 1 is as follows:

<u>TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM</u>	
Section 15:	W/2 of SW/4
Section 16:	SE/4
Section 21:	E/2 and E/2 of NW/4
Section 22:	W/2 of W/2

all in Lea County, New Mexico.

(4) That an oil pool should be created for the aforementioned common source of supply with horizontal limits as described above and that said pool should be known as the "Middle Lynch-Yates Pool."

(5) That certain portions of the Middle Lynch-Yates Pool lie within the boundaries of the Potash-Oil Area as defined by Order R-111-A.

(6) That all wells commenced in that portion of the Middle Lynch-Yates Pool which lies within the boundaries of the Potash-Oil Area, as defined by Order R-111-A, should be drilled and operated in accordance with the provisions of Order R-111-A; provided, however, that the operator of any such well should have the option of following either of the casing programs hereinafter set forth in lieu of the shallow-zone casing program prescribed by Order R-111-A:

#### ROTARY TOOLS CASING PROGRAM

Surface Casing to the top of the "Red Beds."

Cemented to surface.

Production Casing to be set below the base of the Tansill formation and tacked until it has been determined that commercial production has been obtained, in which event said production casing shall be cemented to the surface.

#### CABLE TOOLS CASING PROGRAM

Surface Casing to the top of the "Red Beds."

Upper Water Shut-Off Casing to be set in the Chinle formation.

Lower Water Shut-Off Casing to be set through the Santa Rosa formation and into the Dewey Lake formation.

Production Casing to be set below the base of the Tansill formation and tacked until it has been determined that commercial production has been obtained in which event said production casing shall be cemented to the surface; whereupon, all other strings of casing may be pulled.

(7) That all wells commenced in that portion of the Middle Lynch-Yates Pool which lies outside the Potash-Oil Area should be drilled and operated in accordance with the Commission Statewide Rules and Regulations.

-3-

Case No. 1277

Order No. R-1039

IT IS THEREFORE ORDERED:

1. That a new pool in Lea County, New Mexico, classified as an oil pool for Yates production, be and the same is hereby created and designated as the Middle Lynch-Yates Pool, consisting of the following described area:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 15: W/2 of SW/4

Section 16: SE/4

Section 21: E/2 and E/2 of NW/4

Section 22: W/2 of W/2

2. That Special Rules and Regulations for the Middle Lynch-Yates Pool be and the same are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS FOR THE MIDDLE LYNCH-YATES POOL:

RULE 1. All wells commenced in that portion of the Middle Lynch-Yates Pool which lies within the boundaries of the Potash-Oil Area, as defined by Order R-111-A, shall be drilled and operated in accordance with the provisions of Order R-111-A; provided, however, that the operator of any such well shall have the option of following either of the casing programs hereinafter set forth in lieu of the shallow-zone casing program prescribed by Order R-111-A:

ROTARY TOOLS CASING PROGRAM

Surface Casing to the top of the "Red Beds."

Cemented to surface.

Production Casing to be set below the base of the Tansill formation and tacked until it has been determined that commercial production has been obtained, in which event said production casing shall be cemented to the surface.

CABLE TOOLS CASING PROGRAM

Surface Casing to the top of the "Red Beds."

Upper Water Shut-Off Casing to be set in the Chinle formation.

Lower Water Shut-Off Casing to be set through the Santa Rosa formation and into the Dewey Lake formation.

Production Casing to be set below the base of the Tansill formation and tacked until it has been determined that commercial production has been obtained, in which event said production casing shall be cemented to the surface; whereupon, all other strings of casing may be pulled.

-4-  
Case No. 1277  
Order No. R-1039

RULE 2. All wells commenced in that portion of the Middle Lynch-Yates Pool which lies outside the Potash-Oil Area shall be drilled and operated in accordance with the Commission Statewide Rules and Regulations.

RULE 3. The provision of paragraph (a) of Rule 104 of the Commission Statewide Rules and Regulations which requires wells located within one mile of a defined pool to be spaced, drilled, operated, and prorated in accordance with the regulation in effect in said pool shall not apply to the Middle Lynch-Yates Pool.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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

S E A L

ir/