

Entered June 9, 1959

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. 1634
Order No. R-1382-A

APPLICATION OF THE PURE OIL
COMPANY FOR AN ORDER PROMULGATING
TEMPORARY SPECIAL RULES AND
REGULATIONS FOR THE SOUTH VACUUM-
DEVONIAN POOL IN LEA COUNTY, NEW
MEXICO, TO PROVIDE FOR 80-ACRE
PRORATION UNITS

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for reconsideration upon the petition of The Pure Oil Company for a rehearing in Case No. 1634, Order No. R-1382, heretofore entered by the Commission on April 30, 1959.

NOW, on this 28th day of May, 1959, the Commission, a quorum being present, having considered the petition for rehearing and the brief in support thereof,

FINDS:

(1) That the two issues raised in Case No. 1634 and in the petition for rehearing deal with (a) the proper size of oil proration units in the South Vacuum-Devonian Pool, and (b) the petitioner's request for permission to shut-in one producing well and transfer its entire allowable to one other producing well.

(2) That Section 65-3-22(a), NMSA, 1953 Comp., provides that the Commission shall grant or refuse any application for rehearing in whole or in part.

(3) That the petitioner states that it will not tender any further evidence at the rehearing, if granted, inasmuch "as all currently available evidence in the pool has been presented to the Commission."

(4) That all evidence relevant and material to the issue concerning the proper size of oil proration units in the South Vacuum-Devonian Pool was fully considered by the Commission in Case No. 1634, and Order No. R-1382, dated April 30, 1959, was entered establishing 40-acre oil proration units in said pool.

(5) That in view of the fact that petitioner does not propose to present any new or additional evidence to the Commission, further consideration of the issue regarding the proper size of oil proration units in the South Vacuum-Devonian Pool would serve no useful purpose.

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(6) That the petition for rehearing contains an allegation that denial of the request for permission to shut-in one producing well and transfer its entire allowable to one other producing well effectively denies the operators the opportunity to develop further evidence, based on interference tests, as to the effective area which wells in the South Vacuum-Devonian Pool will drain.

(7) That while the issue mentioned in the preceding finding was fully considered by the Commission prior to the entry of Order No. R-1382, the Commission is of the opinion that a rehearing on this issue is warranted; Commission policy is to allow operators to gain all available reservoir data insofar as that can be done without causing waste or impairing correlative rights.

(8) That the petitioner should be prepared to state whether the allowable transfer can be accomplished without causing waste or impairing correlative rights; further, that the petitioner should be prepared to state whether or not it is amenable to an order which would divide the allowable of the proposed shut-in well among all other top allowable producing wells on the same lease.

IT IS THEREFORE ORDERED:

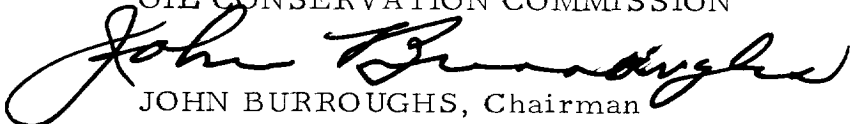
That the above-styled cause be reopened and a rehearing be held at 9 o'clock a.m. on July 15, 1959, at Mabry Hall, State Capitol, Santa Fe, New Mexico; provided, however, that the rehearing shall be limited solely to the issue of whether or not the petitioner should be permitted to shut-in its South Vacuum Unit Well No. 3-35, NE/4 NW/4, Section 35, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, Lea County, New Mexico, and transfer its allowable to another well or wells on the same lease.

IT IS FURTHER ORDERED:

That Order No. R-1382 shall remain in full force pending the issuance of any further order in this case.


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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman

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MURRAY E. MORGAN, Member


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

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