

*Entered September 21, 1960
A.P.P.*

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-C

APPLICATION OF THE PURE OIL COMPANY
FOR THE PROMULGATION OF SPECIAL RULES
AND REGULATIONS GOVERNING THE SOUTH
VACUUM-DEVONIAN POOL, LEA COUNTY,
NEW MEXICO, INCLUDING A PROVISION
FOR 80-ACRE PRORATION UNITS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 17, 1960, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 16th day of September, 1960, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, The Pure Oil Company, seeks the promulgation of special rules and regulations for the South Vacuum-Devonian Pool, Lea County, New Mexico, to provide for 80-acre oil proration units.

(3) That the applicant has proved by a preponderance of the evidence that the South Vacuum-Devonian Pool can be efficiently and economically drained and developed on 80-acre proration units.

(4) That to require development of the South Vacuum-Devonian Pool on 40-acre proration units would probably cause the drilling of unnecessary wells.

(5) That all parties present waived objection to the continued assignment of a 40-acre allowable to any well presently producing from the South Vacuum-Devonian Pool to which cannot be dedicated an 80-acre tract which can reasonably be presumed to be productive of oil from said pool. Only two such wells exist,

-2-

CASE No. 1634
Order No. R-1382-C

namely, The Pure Oil Company Reeves Well No. 2-26, SE/4 SW/4 of Section 26 and The Pure Oil Company Reeves Well No. 4-26, NE/4 SW/4 of said Section 26, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.

IT IS THEREFORE ORDERED:

That special rules and regulations for the South Vacuum-Devonian Pool, Lea County, New Mexico, be and the same are hereby promulgated as follows, effective October 1, 1960; provided, however, that the increased allowable provisions contained herein shall not become effective until November 1, 1960.

SPECIAL RULES AND REGULATIONS FOR THE
SOUTH VACUUM-DEVONIAN POOL

RULE 1. Each well completed or recompleted in the South Vacuum-Devonian Pool or in the Devonian formation within one mile of the South Vacuum-Devonian Pool, and not nearer to nor within the limits of another designated Devonian pool, shall be spaced, drilled, operated, and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the South Vacuum-Devonian Pool shall be located on a unit containing approximately 80 acres which consists of the N/2, S/2, E/2 or W/2 of a single governmental quarter section.

RULE 3. All wells projected to or completed in the South Vacuum-Devonian Pool shall be located within 150 feet of the center of either quarter-quarter section in the 80-acre unit; 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 80-acre unit.

RULE 4. For good cause shown, the Secretary-Director may grant an exception to Rule 2 without notice and hearing when the application is 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 mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the South Vacuum-Devonian Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 5. An 80-acre proration unit (79 through 81 acres) in the South Vacuum-Devonian Pool shall be assigned an 80-acre

-3-

CASE No. 1634
Order No. R-1382-C

proportional factor of 6.67 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 said wells in any proportion.

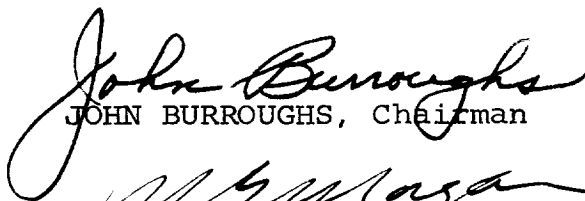
IT IS FURTHER ORDERED: That operators who propose to dedicate 80-acres to a well in the South Vacuum-Devonian Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by October 15, 1960, in order that the well may be assigned an 80-acre allowable on the November proration schedule.

IT IS FURTHER ORDERED: That any well which was drilled to and producing from the South Vacuum-Devonian Pool prior to August 17, 1960, which presently has 40 acres dedicated to it, and to which cannot be dedicated an 80-acre unit which can reasonably be presumed to be productive of oil from the South Vacuum-Devonian Pool shall continue to be assigned an allowable equal to normal 40-acre unit allowable for Southeast New Mexico times the 40-acre proportional factor for said pool of 5.67. This exception shall apply only to the wells described in Finding No. 5.

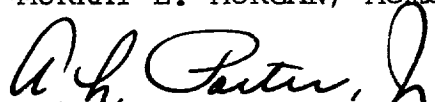
IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may be deemed necessary in the future.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

S E A L

esr/