

Entered September 8, 1959
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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. 1668
Order No. R-1418-B

APPLICATION OF PHILLIPS PETROLEUM COM-
PANY FOR AN ORDER ESTABLISHING TEMPOR-
ARY SPECIAL RULES AND REGULATIONS FOR
THE RANGER LAKE-PENNSYLVANIAN POOL,
LEA COUNTY, NEW MEXICO, TO PROVIDE
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 May 13, 1959, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," and Order No. R-1418 was entered on June 5, 1959. The case was reopened and a rehearing held on August 13, 1959, at Santa Fe, New Mexico.

NOW, on this 26th day of August, 1959, the Commission, a quorum being present, having considered the application and all 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 cause and the subject matter thereof.

(2) That the applicant, Phillips Petroleum Company, seeks the promulgation of temporary special rules and regulations for the Ranger Lake-Pennsylvanian Pool in Lea County, New Mexico, to provide for 80-acre proration units.

(3) That the applicant has proved by a preponderance of the evidence now available that the Ranger Lake-Pennsylvanian Pool can be efficiently and economically drained and developed on 80-acre proration units.

(4) That to require development of the Ranger Lake-Pennsylvanian Pool on 40-acre proration units might cause the drilling of unnecessary wells.

(5) That the evidence presented indicates that it is uneconomical to drill wells on 40-acre proration units in the Ranger Lake-Pennsylvanian Pool, and to remain on such a spacing pattern might impede further development in said pool.

(6) That the applicant has waived objection to the continued assignment of a 40-acre allowable to any well presently producing from the Ranger Lake-Pennsylvanian Pool to which cannot be dedicated an 80-acre tract which can reasonably be presumed to be productive of oil from said pool. Only one such well exists, namely the Gordon Cone Well No. 2-24, SW/4 SW/4 of Section 24, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico.

(7) That temporary 80-acre proration units should be established in the Ranger Lake-Pennsylvanian Pool.

IT IS THEREFORE ORDERED:

(1) That Commission Order No. R-1418, dated June 5, 1959, be and the same is hereby superseded effective September 1, 1959.

(2) That special rules and regulations for the Ranger Lake-Pennsylvanian Pool in Lea County, New Mexico, be and the same are hereby promulgated as follows, effective September 1, 1959; provided, however, that the increased allowable provisions contained herein shall not become effective until October 1, 1959.

SPECIAL RULES AND REGULATIONS FOR THE
RANGER LAKE - PENNSYLVANIAN POOL

RULE 1. Each well completed or recompleted in the Ranger Lake-Pennsylvanian Pool or in the Pennsylvanian formation within one mile of the Ranger Lake-Pennsylvanian Pool, and not nearer to nor within the limits of another designated Pennsylvanian 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 Ranger Lake-Pennsylvanian Pool shall be located on a unit containing 80 acres, more or less, which consists 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 said 80-acre unit.

RULE 3. The initial well on any 80-acre unit in said pool shall be located within 150 feet of the center of either the NW/4 or the SE/4 of the quarter section on which the well is located. Any well which was drilling to or completed in the Ranger Lake-Pennsylvanian Pool prior to September 1, 1959, is granted an exception to the well location requirements of this Rule.

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RULE 4. For good cause shown, the Secretary-Director may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising a single quarter-quarter section or lot or when the application is for the purpose of joining fractional lots not exceeding 20.49 acres each with a standard unit. 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 Ranger Lake-Pennsylvanian 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 Ranger Lake-Pennsylvanian Pool shall be assigned an 80-acre proportional factor of 5.67 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 the wells on the unit in any proportion.

IT IS FURTHER ORDERED:

That operators who propose to dedicate 80 acres to a well in the Ranger Lake-Pennsylvanian Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by September 15, 1959, in order that the well may be assigned an 80-acre allowable on the October proration schedule.

IT IS FURTHER ORDERED:

That any well which was drilled to and producing from the Ranger Lake-Pennsylvanian Pool prior to September 1, 1959, 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 Ranger Lake-Pennsylvanian Pool shall continue to be assigned an allowable equal to normal unit allowable times the 40-acre proportional factor for said pool of 4.67. This exception shall apply only to the well described in Finding No. 6.

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IT IS FURTHER ORDERED:

That this case be reopened at the regular monthly hearing of the Commission in August, 1960, to permit any operator to appear and show cause why the Ranger Lake-Pennsylvanian Pool should continue to be developed on 80-acre proration units.

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

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