

Entered November 13, 1959
CLP

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. 1763
Order No. R-1517

APPLICATION OF SOUTHWESTERN
HYDROCARBON COMPANY FOR AN
ORDER ABOLISHING THE SAWYER-
SAN ANDRES AND SOUTH SAWYER-
SAN ANDRES OIL POOLS IN LEA
COUNTY, NEW MEXICO, AND CREATING
THE SAWYER-SAN ANDRES GAS POOL,
OR IN THE ALTERNATIVE FOR AN
ORDER EXTENDING THE SOUTH SAWYER-
SAN ANDRES OIL POOL AND REMOVING
ALL GAS-OIL RATIO LIMITATIONS,
OR FOR AN ORDER COMBINING THE
SAWYER-SAN ANDRES AND THE SOUTH
SAWYER-SAN ANDRES OIL POOLS AND
REMOVING ALL GAS-OIL RATIO
LIMITATIONS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 30, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 30th day of October, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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, operator of a well located in the NE/4 NW/4 of Section 5, Township 10 South, Range 38 East, NMPM, Lea County, New Mexico, seeks an order abolishing the Sawyer-San Andres and South Sawyer-San Andres Oil Pools and creating the Sawyer-San Andres Gas Pool, or in the alternative for an order extending the South Sawyer-San Andres Oil Pool and removing all gas-oil ratio limitations, or for an order combining the Sawyer-San Andres and the South Sawyer-San Andres Oil Pools and removing all gas-oil ratio limitations for this pool.

(3) That the preponderance of the evidence presented establishes that the acreage comprising the Sawyer-San Andres Oil Pool and the South Sawyer-San Andres Oil Pool, as well as the intervening acreage between the two pools, is predominately a gas reservoir and should be designated as the Sawyer-San Andres Gas Pool.

(4) That special rules and regulations should be promulgated governing said Sawyer-San Andres Gas Pool.

IT IS THEREFORE ORDERED:

(1) That the Sawyer-San Andres Oil Pool and the South Sawyer-San Andres Oil Pool, as well as the intervening acreage between the two pools, be and the same is hereby reclassified as the Sawyer-San Andres Gas Pool with horizontal limits as described in Appendix "A" of this order, effective November 1, 1959.

(2) That special rules and regulations governing the Sawyer-San Andres Gas Pool be and the same are hereby promulgated as follows, effective November 1, 1959:

SPECIAL RULES AND REGULATIONS
FOR THE SAWYER-SAN ANDRES GAS POOL

RULE 1. Each well completed or recompleted in the San Andres formation within one mile of the boundary of the Sawyer-San Andres Gas Pool as set forth in Appendix "A", and not nearer to nor within the boundaries of another designated San Andres gas pool, shall be drilled, spaced, and produced in accordance with the special rules and regulations hereinafter set forth.

RULE 2. (a) Each gas well completed or recompleted in the Sawyer-San Andres Gas Pool shall be located on a tract consisting of approximately 160 acres comprising a quarter section of a governmental section. For purposes of these rules, a unit consisting of between 158 and 162 surface contiguous acres shall be considered a standard unit.

(b) The Secretary-Director shall have authority to grant an exception to Rule 2 (a) without notice and hearing where an application has been filed in due form and where the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Lands Survey, or where the following facts exist and the following provisions are complied with:

(1) The non-standard unit consists of contiguous quarter-quarter sections or lots.

(2) The non-standard unit lies wholly within a single governmental section.

(3) The entire non-standard unit may reasonably be presumed to be productive of gas from the Sawyer-San Andres Gas Pool.

(4) That the applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the section in which the non-standard unit is situated and which acreage is not included in said non-standard unit.

(5) In lieu of Paragraph 4 of this Rule, the applicant may furnish proof of the fact that all of the afore-said operators were notified by registered mail of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of thirty (30) days, no such operator has entered an objection to the formation of such non-standard unit.

RULE 3. (a) Each well completed or recompleted in the Sawyer-San Andres Gas Pool shall be located no nearer than 660 feet to the outer boundary of the unit dedicated to the well nor nearer than 330 feet to any governmental quarter-quarter section line.

Any well which was drilling to or completed in the Sawyer-San Andres Gas Pool prior to the effective date of this order is granted an exception to the well location requirements set forth in the preceding paragraph.

(b) The Secretary-Director shall have authority to grant exceptions to Rule 3 (a) without notice and hearing where an application therefor has been filed in due form and the necessity for the unorthodox location is based on topographical conditions or is occasioned by the recompletion of a well previously drilled to another horizon.

Applicants shall furnish all offset operators a copy of the application to the Commission and shall stipulate to the Commission that proper notice has been furnished to all such operators. The Secretary-Director may approve the application if, after a period of twenty (20) days, no offset operator has entered an objection to the proposed unorthodox location.

RULE 4. As of the effective date of these rules, no gas shall be flared or vented from any well in the Sawyer-San Andres Gas Pool except for a period not to exceed 72 hours during which the gas-liquid ratio tests required by Rule 7 are being taken; provided, however, that the Secretary-Director of the Commission may extend the 72-hour test period if necessary; provided further, that the Secretary-Director may grant an exception to the no-flare provision for oil wells in said pool when the operator submits a statement setting forth the facts and circumstances justifying such exception in the interest of protecting correlative rights or preventing undue

hardship on the applicant. If the Secretary-Director declines to grant administrative approval of the requested exception, the matter shall be set for hearing if the operator so requests. Provided further, that any oil well completed in said Pool after the effective date of these rules shall be given ninety (90) days in which to make beneficial use of the produced casinghead gas.

RULE 5. A gas well in the Sawyer-San Andres Gas Pool shall mean a well producing with a gas-liquid ratio in excess of 25,000 cubic feet of gas per barrel of liquid hydrocarbons as determined by the gas-liquid ratio tests prescribed in Rule 7. All other wells producing from the Sawyer-San Andres Gas Pool shall be classified as oil wells.

RULE 6. An oil well in the Sawyer-San Andres Gas Pool shall have dedicated thereto a proration unit consisting of 40 acres, more or less, being a governmental quarter-quarter section.

RULE 7. No production shall be permitted from any well in the Sawyer-San Andres Gas Pool until such time as a 24-hour gas-liquid ratio test has been taken on said well, and the results thereof filed with the Commission on Form C-116 and the Commission has classified the well in accordance with Rule 5.

If the results of said test indicate that a well should be classified as a gas well, an amended Form C-128, Acreage Dedication Plat, shall accompany the test, outlining the proposed 160-acre unit which is to be dedicated to the well. Form C-104, Request for Gas Allowable, and Form C-110, Certificate of Compliance and Authorization to Transport Oil and Natural Gas, shall also accompany the test, showing thereon the authorized transporter of both liquids and gas, and the date of the gas connection.

If the results of the test indicate that the well should be classified as an oil well, Form C-110 shall accompany the test showing the authorized transporter of both liquids and gas, and the date of the gas connection. If a casinghead gas connection is not immediately available, the operator may request an exception to the no-flare provisions of these pool rules as provided in Rule 4.

Gas-liquid ratio tests shall also be taken semi-annually on all wells in the Sawyer-San Andres Gas Pool. These tests shall be taken during the months of April and October and the results thereof filed with the Commission on Form C-116 not later than the 10th day of the month next succeeding the month during which the tests were taken.

RULE 8. Acreage dedicated to a gas well in the Sawyer-San Andres Gas Pool shall not be simultaneously dedicated to an oil well in said pool.

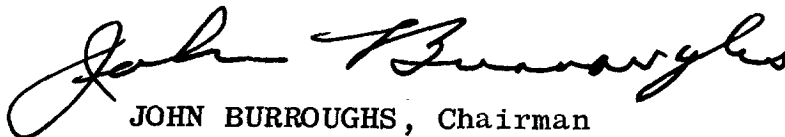
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RULE 9. No newly completed well in the Sawyer-San Andres Gas Pool shall be assigned an allowable until Form C-104 and Form C-110 have been filed together with a plat showing the acreage dedicated to the well.

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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APPENDIX "A"

Horizontal Limits of Sawyer-San Andres Gas Pool

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM

Section 24: E/2
Section 25: NE/4

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM

Section 18: All
Section 19: All
Section 28: S/2 (partial)
Section 29: W/2 and SE/4
Section 30: All
Section 31: NE/4
Section 32: All
Section 33: All (partial)

TOWNSHIP 10 SOUTH, RANGE 38 EAST, NMPM

Section 5: NW/4