

Entered December 3, 1961

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. 2118)
CASE No. 2459) Consolidated
Order No. R-1826-A

APPLICATION OF THE OHIO OIL COMPANY
FOR 160-ACRE PRORATION UNITS IN THE
LEA-DEVONIAN POOL, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on December 13, 1961, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 21st day of December, 1961, 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 Lea-Devonian Pool was established by Order No. R-1772, dated December 16, 1960, and, as presently defined, consists of the NE/4 of Section 11 and the W/2 and the SE/4 of Section 12, all in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That by Order No. R-1826 entered in Case No. 2118 effective January 1, 1961, the Commission, upon the application of The Ohio Oil Company, established 80-acre proration units in the Lea-Devonian Pool on a temporary, one-year basis; that temporary special rules and regulations for said pool were also promulgated which included a provision requiring the initial well on the 80-acre unit to be located within 150 feet of the center of either the NW/4 or the SE/4 of the quarter section; that said order prescribed an 80-acre proportional factor of 10.33 for allowable purposes.

(4) That the present application by The Ohio Oil Company seeks the establishment of 160-acre proration units in the

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Lea-Devonian Pool and the promulgation of special rules and regulations for said pool including a provision granting 150 percent of the 80-acre allowable as the 160-acre allowable for the pool.

(5) That the application for 160-acre proration units was consolidated with the case in which operators in the subject pool were to appear and show cause why the pool should not be developed on 40-acre proration units.

(6) That the evidence presented at the hearing of this matter indicates the presence of an active water drive in the subject pool; that the data derived from interference tests between wells in the pool is inconclusive to establish drainage over great distances, but that the results of such tests may have been affected detrimentally by the water drive.

(7) That in the limited area in which data was available on this Devonian reservoir at this time, it will not cause waste to allow development on 160-acre proration units, and development on 80-acre proration units might cause the drilling of unnecessary wells.

(8) That the evidence presented at the hearing of this matter failed to justify the establishment of 160-acre proration units on a permanent basis; however, 160-acre proration units should be established in said pool on a temporary, one-year basis.

(9) That during the one-year period this temporary order will be in effect, the well location requirements for said pool should remain the same as those prescribed under the previous 80-acre order, and the allowable production from each 160-acre proration unit should be retained at a normal 80-acre allowable figure.

(10) That during the one-year period in which this order will be in effect, the applicant should gather all available information relative to drainage and recoverable reserves in the subject pool.

(11) That this case should be heard again by the Commission at its regular monthly hearing in December, 1962, at which time the applicant and other interested parties should be prepared to prove the size of proration unit on which the subject pool can be most efficiently developed.

IT IS THEREFORE ORDERED:

(1) That temporary special rules and regulations for the Lea-Devonian Pool in Lea County, New Mexico, are hereby promulgated as follows, effective January 1, 1962:

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SPECIAL RULES AND REGULATIONS FOR THE
LEA-DEVONIAN POOL

RULE 1. Each well completed or recompleted in the Lea-Devonian Pool or in the Devonian formation within one mile of said 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 Lea-Devonian Pool shall be located on a unit containing 160 acres, more or less, which consists 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 the unit.

RULE 3. The initial well on any 160-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 completed in the Lea-Devonian Pool or which was drilling to the Devonian formation within one mile of said pool prior to January 1, 1961, is granted an exception to the well location requirements of this rule.

RULE 4. For good cause shown, the Secretary-Director of the Commission may grant exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising less than 160 acres. 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 of the Commission 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 Lea-Devonian Pool as the acreage in such non-standard unit bears to 160 acres.

RULE 5. A 160-acre proration unit (158 through 162 acres) in the Lea-Devonian Pool shall be assigned a proportional factor of 10.33 for allowable purposes, and in the event there is more than one well on a 160-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

(2) That this case shall be reopened and heard again by the Commission at its regular monthly hearing in December, 1962, at

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which time the applicant and other interested parties shall appear and be prepared to prove the size of proration unit on which the subject pool can be most efficiently developed.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

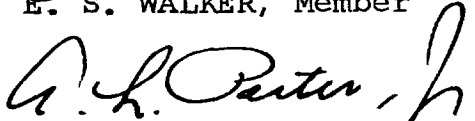
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

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