

*Entered April 30, 1962*  
*R.L.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. 2469  
Order No. R-2175-B

APPLICATION OF EL PASO NATURAL GAS  
COMPANY FOR THE ESTABLISHMENT OF  
SPECIAL RULES AND REGULATIONS FOR  
THE LUSK-STRAWN 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 March 14, 1962, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 4th day of April, 1962, 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, El Paso Natural Gas Company, on rehearing, seeks a modification of the Special Rules and Regulations for the Lusk-Strawn Pool as contained in Order No. R-2175 entered in Case No. 2469 on January 30, 1962, to provide for the development of said pool on 160-acre proration units.

(3) That the present testimony of the applicant indicates that one well can efficiently drain 160-acres.

(4) That the present testimony of the applicant relative to the economics of drilling in the subject pool indicates that development on less than 160-acre oil proration units would be uneconomical.

(5) That the Special Rules and Regulations for the Lusk-Strawn Pool as contained in Order No. R-2175 should be modified to provide for 160-acre oil proration units.

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IT IS THEREFORE ORDERED:

(1) That Special Rules and Regulations for the Lusk-Strawn Pool, Lea County, New Mexico, are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE LUSK-STRAWN POOL

RULE 1. Each well completed or recompleted in the Lusk-Strawn Pool or in the Strawn formation within one mile of the Lusk-Strawn Pool, and not nearer to nor within the limits of another designated Strawn 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 Lusk-Strawn Pool shall be located on a unit containing 160 acres, more or less, substantially in the form of a square, which is a quarter section being a legal subdivision of the United States Public Lands Survey.

RULE 3. Each well completed or recompleted in said pool shall not be drilled closer than 660 feet to any quarter section line nor closer than 330 feet to any quarter-quarter section line. Any well which was drilling to or recompleted in the Lusk-Strawn Pool prior to January 4, 1962, 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 an 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 or certified 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 Lusk-Strawn 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 Lusk-Strawn Pool shall be assigned a 160-acre proportional factor of 8.67 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 in any proportion.

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RULE 6. The limiting gas-oil ratio in the Lusk-Strawn Pool shall be 4000 : 1.

PROVIDED HOWEVER, That the provisions of Rules 5 and 6 shall not become effective until such time as all wells presently completed in the subject pool are connected to a casinghead gas gathering system.

(2) That Order No. R-2175 entered in Case No. 2469 on January 30, 1962, is hereby superseded.

(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 hereinabove 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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