

Entered October 16, 1962

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. 2625
Order No. R-2315

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR AN ORDER ESTABLISHING
SPECIAL RULES AND REGULATIONS FOR
THE MEDICINE ROCK-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 August 29, 1962, 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 18th day of September, 1962, 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, Sinclair Oil & Gas Company, seeks the promulgation of special rules and regulations for the Medicine Rock-Devonian Pool, Lea County, New Mexico, including a provision for 80-acre oil proration units.

(3) That the evidence presented at the hearing of this case establishes that the Medicine Rock-Devonian Pool can be efficiently and economically drained and developed on 80-acre proration units, and that such development will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

That Special Rules and Regulations for the Medicine Rock-Devonian Pool are hereby promulgated as follows:

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SPECIAL RULES AND REGULATIONS
FOR THE
MEDICINE ROCK-DEVONIAN POOL

RULE 1. Each well completed or recompleted in the Medicine Rock-Devonian Pool or in the Devonian formation within one mile of the Medicine Rock-Devonian Pool, and not nearer to or within the limits of another designated Devonian oil 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 Medicine Rock-Devonian Pool shall be located on a unit containing approximately 80 acres, which consists of any two contiguous quarter-quarter sections of a single governmental quarter section. For purposes of these Rules, a unit consisting of between 79 and 81 surface contiguous acres shall be considered a standard unit.

RULE 3. Each well projected to or completed in the Medicine Rock-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 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 a single quarter-quarter section or lot.
- (2) The non-standard unit consists of not more than 81 acres.
- (3) The entire non-standard unit may reasonably be presumed to be productive of oil from said pool.
- (4) The applicant presents written consent in the form of waivers from all offset operators.
- (5) In lieu of Paragraph 4 of this Rule, the applicant may furnish proof of the fact that all of the offset operators were notified of his intent to form such non-standard unit. The Secretary-Director may approve the application if, after a period of 30 days, no such operator has entered an objection to the formation of the non-standard unit.

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RULE 5. An 80-acre proration unit (79 through 81 acres) in the Medicine Rock-Devonian Pool shall be assigned an 80-acre proportional factor of 7.75 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 the allowable provisions of this order shall become effective October 1, 1962. Further, that all operators who propose to dedicate 80 acres to a well in the Medicine Rock-Devonian Pool must file an amended Commission Form C-128 with the Hobbs District Office of the Commission by September 27, 1962.

IT IS FURTHER ORDERED:

That any well drilled or drilling in accordance with State-wide Rule 104 on the date of entry of this order which is located in exception to the above-described well location requirements is hereby granted an exception to said requirements.

IT IS FURTHER ORDERED:

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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