

*Entered November 16, 1962*  
*C. 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. 2654  
Order No. R-2349

APPLICATION OF CARPER DRILLING  
COMPANY, INC., FOR THE CREATION  
OF A NEW GAS POOL AND FOR TEMPO-  
RARY SPECIAL RULES AND REGULA-  
TIONS, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 10, 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 31st day of October, 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 a new gas pool for Pennsylvanian production should be created and designated the Buffalo Valley-Pennsylvanian Gas Pool. This pool was discovered by the Carper Drilling Company Inc., Baetz Well No. 1, located in Unit N of Section 35, Township 14 South, Range 27 East, NMPM, Chaves County, New Mexico.

(3) That Carper Drilling Company, Inc. seeks the promulgation of temporary special rules and regulations for the Buffalo Valley-Pennsylvanian Gas Pool to provide for 320-acre gas proration units.

(4) That the evidence presented concerning the reservoir characteristics of the Buffalo Valley-Pennsylvanian Gas Pool justifies the establishment of 320-acre gas proration units in said pool for a temporary period of two years.

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(5) That the evidence establishes that the Buffalo Valley-Pennsylvanian Gas Pool can presently be efficiently and economically drained on 320-acre gas proration units.

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

(7) That this case should be reopened at an examiner hearing in October, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the Buffalo Valley-Pennsylvanian Gas Pool should not be developed on 160-acre gas proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production is hereby created and designated as the Buffalo Valley-Pennsylvanian Gas Pool consisting of the following-described area:

TOWNSHIP 14 SOUTH, RANGE 27 EAST, NMPM  
Section 35: S/2

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 2: N/2

(2) That special rules and regulations for the Buffalo Valley-Pennsylvanian Gas Pool are hereby promulgated as follows, effective November 1, 1962.

SPECIAL RULES AND REGULATIONS  
FOR THE  
BUFFALO VALLEY-PENNSYLVANIAN GAS POOL

RULE 1. Each well completed or recompleted in the Buffalo Valley-Pennsylvanian Gas Pool or in the Pennsylvanian formation within one mile of the Buffalo Valley-Pennsylvanian Gas Pool, and not nearer to or 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 Buffalo Valley-Pennsylvanian Gas Pool shall be located in the northwest quarter or the southeast quarter of the section and shall be located no nearer than 990 feet to the outer boundary of the quarter section nor nearer than 330 feet to any governmental quarter-quarter section line; provided, however, that any well

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drilling to or completed in said pool as of the date of this order is hereby excepted from the requirements of this rule.

RULE 3. The Secretary-Director shall have authority to grant exceptions to Rule 2 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 and all operators within the section in which the subject well is located 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 days, no offset operator has entered an objection to the proposed unorthodox location.

RULE 4. Each well completed or recompleted in the Buffalo Valley-Pennsylvanian Gas Pool shall be located on a standard proration unit consisting of any two contiguous quarter sections of a single governmental section, being a legal subdivision (half section) of the United States Public Lands Survey. For purposes of these rules, a standard proration unit shall consist of 316 through 324 contiguous surface acres.

RULE 5. The Secretary-Director shall have authority to grant an exception to Rule 4 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 Buffalo Valley-Pennsylvanian Gas Pool.

(4) 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 any part of the non-standard unit is situated and which acreage is not included in said non-standard unit.

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

RULE 6. The vertical limits of the Buffalo Valley-Pennsylvanian Gas Pool shall be the Pennsylvanian formation.

(3) That this case shall be reopened at an examiner hearing in October, 1964, at which time the operators in the subject pool may appear and show cause why the Buffalo Valley-Pennsylvanian Gas Pool should not be developed on 160-acre gas proration units.

(4) 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.

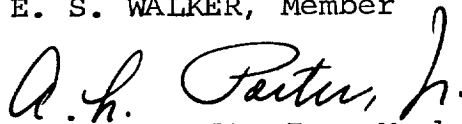
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

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