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Produced Pursuant to Order No. R-2612
W.H.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. 2935
Order No. R-2612-A
NOMENCLATURE

APPLICATION OF HUMBLE OIL & REFINING
COMPANY FOR THE CREATION OF A NEW POOL,
FOR SPECIAL RULES, AND FOR INTERFERENCE
TESTS, SAN JUAN COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 6, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 25th day of January, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 Order No. R-2612, dated December 10, 1963, created the South Waterflow Oil Pool in San Juan County, New Mexico, created a spacing area for Gallup production designated the South Waterflow Spacing Area, established temporary Special Rules and Regulations for said spacing area, and established an administrative procedure for approval of interference tests and transfer of allowables in said spacing area.

(3) That pursuant to the provisions of Order No. R-2612, this case was reopened to allow the operators in the South Waterflow Spacing Area to appear and show cause why said area or any

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portion thereof should not be developed on either 80-acre or 40-acre proration units.

(4) That the evidence concerning the reservoir characteristics of the Gallup formation underlying the South Waterflow Spacing Area and the effectiveness of the temporary Special Rules and Regulations promulgated by Order No. R-2612 does not establish that the spacing area can be efficiently and economically drained and developed on 160-acre or 80-acre proration units.

(5) That to afford to the owner of each property in the South Waterflow Spacing Area the opportunity to produce his just and equitable share of oil from the Gallup formation, to prevent reduced recovery which might result from the drilling of too few wells in said spacing area, and to otherwise prevent waste and protect correlative rights, the South Waterflow Spacing Area, the temporary Special Rules and Regulations for the South Waterflow Spacing Area, and the administrative procedure for approval of interference tests and transfer of allowables in said spacing area should be abolished, and the horizontal limits of the South Waterflow Oil Pool should be redesignated.

IT IS THEREFORE ORDERED:

(1) That the South Waterflow Spacing Area created by Order No. R-2612 is hereby abolished.

(2) That the Special Rules and Regulations for the South Waterflow Spacing Area promulgated by Order No. R-2612 are hereby abolished.

(3) That the administrative procedure established by Order No. R-2612 for approval of interference tests and transfer of allowables in the South Waterflow Spacing Area is hereby abolished.

(4) That the horizontal limits of the South Waterflow Oil Pool are hereby redesignated as follows:

NEW MEXICO PRINCIPAL MERIDIAN

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 29 NORTH, RANGE 15 WEST

Section 17: SW/4

Section 18: S/2

Section 19: N/2

Section 20: W/2 and SE/4

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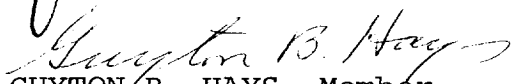
TOWNSHIP 29 NORTH, RANGE 16 WEST
Section 13: SE/4


(5) 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


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


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

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