

*Entered December 9, 1966
A.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. 3348
Order No. R-3019-A

APPLICATION OF JOSEPH I. O'NEILL, Jr.,
FOR SPECIAL RULES FOR THE SOUTH PRAIRIE-
SAN ANDRES POOL, ROOSEVELT COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 7, 1966,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 9th day of December, 1966, 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 by Order No. R-3019, dated December 22, 1965, tem-
porary Special Rules and Regulations were promulgated for the
South Prairie-San Andres Pool, Roosevelt County, New Mexico.

(3) That said Order No. R-3019 provided an administrative
procedure whereby the operators in the pool would be permitted
to conduct interference tests and to transfer allowables among
producing wells on the same lease during the temporary one-year
period in order to facilitate the gathering of information
pertaining to reservoir characteristics.

(4) That pursuant to the provisions of Order No. R-3019,
this case was reopened to allow the operators in the subject pool
to appear and present all available information, including inter-
ference test results, to establish the area that can be efficiently

-2-

CASE No. 3348

Order No. R-3019-A

and economically developed by one well and to show cause why the South Prairie-San Andres Pool should not be developed on 40-acre spacing units.

(5) That the results of interference tests taken during the temporary one-year period were inconclusive.

(6) That the temporary Special Rules and Regulations for the South Prairie-San Andres Pool, promulgated by Order No. R-3019, should be continued in effect for an additional period of time in order to allow the operators in the subject pool sufficient time to gather additional information concerning the reservoir characteristics of the pool.

(7) That the above-mentioned administrative procedure should be continued in effect for an additional period of time during which the applicant should conduct additional interference tests in order to gather additional reservoir information to present to the Commission when this case is reopened.

(8) That this case shall be reopened at an examiner hearing in February, 1968, at which time the applicant and all interested parties should appear and present all available information, including interference test results, to establish the area that can be efficiently and economically drained and developed by one well and show cause why the South Prairie-San Andres Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That the temporary Special Rules and Regulations for the South Prairie-San Andres Pool, promulgated by Order No. R-3019, are hereby continued in full force and effect until further order of the Commission in this case.

(2) That the Secretary-Director of the Commission is hereby authorized to approve interference tests and the transfer of allowables to wells on the same lease or, if in a unitized area, to wells in the same participating area, provided however, that any such authorization shall be limited to a period of six months, but may be renewed. No transfer well shall be permitted to receive, in addition to its own allowable, more than 50 per cent of one top unit allowable for the pool.

To obtain administrative approval for interference tests and the transfer of allowable, the operator shall submit in

-3-

CASE No. 3348

Order No. R-3019-A

triplicate a request for such authority describing in detail the proposed method of conducting such tests and transferring the allowable. The application shall be accompanied by a plat showing thereon all wells within a radius of two miles of the proposed shut-in well(s) and the transfer well(s). The plat shall also identify each lease or participating area as to ownership or operating rights. The application shall include evidence that all offset operators to the shut-in well(s) and the transfer well(s) have been furnished a complete copy of the application. It shall also be accompanied by Form C-116 for each shut-in well, showing the results of a pre-shut-in test to determine the amount of allowable to be transferred. The transferred allowable shall not exceed the volume of oil produced during the last 24 hours of a 72-hour period during which the well shall be produced at a constant rate. The Commission and offset operators to both the shut-in well(s) and the transfer well(s) may witness such tests if they so desire and shall be notified of the tests at least 48 hours prior to the commencement thereof.

The Secretary-Director of the Commission may grant approval of the interference tests and transfer of allowables upon receipt of waivers from all offset operators or upon expiration of a 20-day waiting period, provided no offset operator has objected to the proposed test and transfer.

(3) That this case shall be reopened at an examiner hearing in February, 1968, at which time the applicant and all interested parties shall appear and present all available information, including interference test results, to establish the area that can be efficiently and economically drained and developed by one well and show cause why the South Prairie-San Andres Pool should not be developed on 40-acre spacing 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M. Campbell
JACK M. CAMPBELL, Chairman

Glynton B. Hays
GLYNTON B. HAYS, Member

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

S E A L

esr/