

Entered May 8, 1967
C.P.D.

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. 3565
Order No. R-3234

APPLICATION OF JOMAR INDUSTRIES, INC.,
FOR A NON-STANDARD OIL PRORATION UNIT,
SEVERAL NON-STANDARD LOCATIONS, TEM-
PORARY EXCEPTION TO RULE 307, AND
CAPACITY ALLOWABLES, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 26, 1967,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of May, 1967, 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 the applicant, Jomar Industries, Inc., seeks
authority to drill 64 oil wells at non-standard locations on a
non-standard oil proration unit comprising the S/2 NW/4 SE/4 and
N/2 SW/4 SE/4 of Section 30, Township 18 South, Range 38 East,
NMPM, Lea County, New Mexico, for the recovery of oil from the
Ogallala formation.

(3) That the applicant proposes to drill said wells to a
density of four wells to each 2.5 acres with no well being nearer
than 82.5 feet to the outer boundary of the unit and no nearer
than 165 feet to another oil well located on said unit.

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(4) That the applicant also seeks a temporary exception to Rule 307 of the Commission Rules and Regulations for each well in order to permit the utilization of a vacuum-type drilling unit during the drilling and completion of said wells.

(5) That the applicant further seeks authority to produce said 64 oil wells at capacity even though the aggregate production from said wells exceeds the 40-acre normal unit allowable.

(6) That the Ogallala formation is the major source of fresh water in the Lea County Underground Water Basin as declared by the State Engineer.

(7) That the oil existing in the Ogallala formation is not the result of a natural accumulation of oil and, therefore, does not constitute an oil pool as commonly understood in the oil and gas business.

(8) That the presence of oil in the Ogallala formation constitutes a hazard to the fresh water supplies therein.

(9) That said oil should be removed from the Ogallala formation, a fresh water aquifer, as quickly and efficiently as possible.

(10) That the utilization as proposed by the applicant of a vacuum-type drilling unit during the drilling and completion of said wells will not damage any stratum containing oil or gas.

(11) That in order to facilitate the removal of oil, an adulterous substance when present in the Ogallala formation, from said aquifer, the requests of the applicant to drill 64 oil wells at non-standard locations on a non-standard oil proration unit, to utilize a vacuum-type drilling unit during drilling and completion of said wells, and to produce said wells at capacity should be approved.

IT IS THEREFORE ORDERED:

(1) That the applicant, Jomar Industries, Inc., is hereby authorized to drill 64 oil wells on a non-standard drilling tract comprising the S/2 NW/4 SE/4 and the N/2 SW/4 SE/4 of Section 30, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, for the purpose of removing oil from the Ogallala formation, a fresh water aquifer;

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PROVIDED HOWEVER, that no well shall be drilled nearer than 82.5 feet to the outer boundary of said tract and no nearer than 165 feet to another oil well located on said tract.

(2) That a 40-acre non-standard drilling tract comprising the S/2 NW/4 SE/4 and the N/2 SW/4 SE/4 of Section 30, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, is hereby created and dedicated to a well or wells to be drilled thereon as authorized by Order No. (1) of this order.

(3) That the applicant is hereby authorized, as an exception to Rule 307 of the Commission Rules and Regulations, to utilize a vacuum-type drilling unit during the drilling and completion of each of the 64 oil wells authorized by Order No. (1) of this order.

(4) That the applicant is hereby authorized to produce the above-mentioned 64 oil wells at maximum capacity until further order from the Commission.

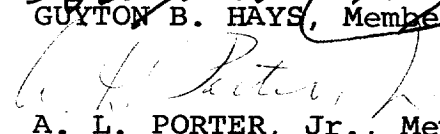
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

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