

*Entered February 19, 1968*  
*A.I.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. 3651  
Order No. R-3315-A

APPLICATION OF TENNECO OIL COMPANY  
FOR AN AMENDMENT TO ORDER NO. R-3315,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 24, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 19th day of February, 1968, 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-3315, dated September 11, 1967, a new pool in Lea County, New Mexico, classified as an oil pool for Permo-Pennsylvanian production was created and designated the North Morton Permo-Pennsylvanian Pool.
- (3) That by said Order No. R-3315, temporary Special Rules and Regulations were promulgated for said North Morton Permo-Pennsylvanian Pool providing for 80-acre spacing units, limited well locations, and an 80-acre proportional factor of 5.67 for allowable purposes, and providing that said temporary rules be reconsidered at an examiner hearing to be held in September, 1968.
- (4) That the applicant, Tenneco Oil Company, seeks amendment of the temporary Special Rules and Regulations promulgated by Order No. R-3315 to provide for 160-acre spacing units and the establishment of a 160-acre proportional factor of 7.67 for allowable purposes on a temporary basis.

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(5) That since the promulgation of the temporary Special Rules and Regulations providing for 80-acre spacing units in the subject pool, several oil wells, dispersed over a substantial portion of what is believed to be the areal extent of the subject pool, have been drilled and completed on 80-acre spacing units.

(6) That the evidence presented by the applicant concerning reservoir characteristics of the subject pool, including reservoir pressure data and gas-oil ratio data, does not establish that one well in the North Morton Permo-Pennsylvanian Pool can efficiently and economically drain and develop 160 acres.

(7) That the applicant has not established that the amendment of the temporary Special Rules and Regulations governing the subject pool would prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells, or otherwise prevent waste or protect correlative rights.

(8) That the subject application should be denied.

IT IS THEREFORE ORDERED:

(1) That the subject application is hereby denied.

(2) 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

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