

*Entered October 22, 1968*  
*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. 3651  
Order No. R-3315-B

APPLICATION OF OLEN F. FEATHERSTONE  
FOR THE CREATION OF A NEW POOL AND  
SPECIAL POOL RULES, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 4, 1968, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 22nd day of October, 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.

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(4) That in January, 1968, Case 3651 was reopened upon the application of Tenneco Oil Company seeking amendment of the temporary special rules and regulations promulgated by said 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; that said application for amendment was denied by Order No. R-3315-A.

(5) That pursuant to the provisions of Order No. R-3315, this case was reopened September 4, 1968, to allow the operators in the subject pool to appear and show cause why the North Morton Permo-Pennsylvanian Pool should not be developed on 40-acre spacing units.

(6) That at the time Order No. R-3315 was issued there was one well completed in the subject pool and that well was located in the SW/4 NW/4 of Section 32, Township 14 South, Range 35 East, NMPM, Lea County, New Mexico.

(7) That at the time Order No. R-3315-A was issued three additional wells had been completed in the subject pool in SE/4 NE/4, the NW/4 SE/4, and the SE/4 NW/4 of Section 31, said Township and Range.

(8) That subsequent to the issuance of said Order No. R-3315-A, two additional wells have been completed in the subject pool in the SW/4 NE/4 and the NE/4 SW/4 of said Section 31; that at the time of the subject hearing, one additional well was being drilled in the NE/4 NW/4 of Section 6, Township 15 South, Range 35 East.

(9) That the pool has been and is being developed on what is essentially a 40-acre spacing pattern.

(10) That the occurrence of a water/oil contact at a sub-sea depth of approximately a minus 6420 feet indicates that the wells located in the N/2 of said Section 31 and the well located in the SW/4 NW/4 of said Section 32 do not have 80 productive acres each to be dedicated to said wells.

(11) That the evidence presented concerning reservoir characteristics of the subject pool, including pressure data and production data, does not establish that one well in the North Morton Permo-Pennsylvanian Pool can efficiently and economically drain and develop 80 acres.

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(12) That in order to afford the owner of each property in the pool the opportunity to produce his just and equitable share of the gas and oil in the pool, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations governing the North Morton Permo-Pennsylvanian Pool should be abolished and said pool continue to be developed on 40-acre units.

IT IS THEREFORE ORDERED:

(1) That the special rules and regulations governing the North Morton Permo-Pennsylvanian Pool promulgated by Order No. R-3315 are hereby abolished.

(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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